

REPORT
STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
JUNE 30, 2006 AND 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

10/11/06

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM

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INDEPENDENT AUDITOR'S REPORT

September 19, 2006

Board of Trustees
State of Louisiana
School Employees' Retirement System
Baton Rouge, Louisiana

We have audited the accompanying statements of plan net assets of the State of Louisiana School Employees' Retirement System (Plan), a component unit of the State of Louisiana, as of June 30, 2006 and 2005, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the State of Louisiana School Employees' Retirement System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State of Louisiana School Employees' Retirement System as of June 30, 2006 and 2005, and the results of its operations and changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on Pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We have audited the financial statements of the Plan for the years ending June 30, 2006 and 2005 and issued our unqualified opinion on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required statistical information on pages 25 - 27, and the supplemental schedules listed on pages 28 - 73 are presented for the purposes of additional analysis and are not a part of the basic financial statements. Such required statistical information for the years ending June 30, 2001 - 2006 and supplemental schedules for the years ending June 30, 2006 and 2005, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 19, 2006 on our consideration of State of Louisiana School Employees' Retirement System's internal control over financial reporting and on our tests of its compliance with laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006

The following is management's discussion and analysis of the financial performance of Louisiana Employees' Retirement System (LSERS). It is presented as a narrative overview and analysis for the purpose of assisting the reader with interpreting key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year.

FINANCIAL HIGHLIGHTS

- The System experienced net investment income of \$84,039,860 at June 30, 2006; however, this is a 27% decrease from net investment income of \$115,092,079 at June 30, 2005. This decrease is due to less than expected returns generated by the equity portfolio of the System.
- Member contributions decreased by \$1,229,910 or 6%. This decrease is mainly due to a loss of active members as a result of Hurricanes Katrina and Rita during the fiscal year.
- Employer contributions increased by \$5,704,327 or 15%. This increase is mainly due to a 25% increase in the employer contributions rate. The employer rate increased from 14.8% to 18.4%; the actual increase was less due to a lower salary base resulting from the loss of members due to Hurricanes Katrina and Rita.
- Refunds of member contributions increased by \$4,091,401 or 137% due mainly to an increase in refunds to members of Orleans Parish School Board. These members were no longer employed after the hurricane, and made a withdrawal of their contributions. There was also an increase in the number of refunds to members who had been out of service for five years or more.
- Other expenses also increased by \$673,273 resulting from transfers of members to other systems and also refunds to employers of overpayments of contributions for prior years.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the System's basic financial statements, which are comprised of three components:

- Statement of Plan Net Assets
- Statement of Changes in Plan Net Assets
- Notes to the Financial Statements

The report also contains required supplemental information in addition to the basic financial statements themselves.

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006

The statements of plan net assets report the pension fund's assets, liabilities, and results in the net assets held in trust for pension benefits. It discloses the financial position of the System as of June 30, 2006 and June 30, 2005.

The statements of changes in plan net assets report the results of the pension fund operations during the year, disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets.

LSERS FINANCIAL ANALYSIS

LSERS provides retirement benefits to all eligible school bus drivers, school janitors, school custodians, school maintenance employees, school bus aides, or other regular school employees who actually work on a school bus helping with the transportation of school children. Member contributions, employer contributions, and earnings on investments fund these benefits.

Statements of Plan Net Assets
June 30, 2006 and 2005

| | <u>2006</u> | <u>2005</u> |
|--|-----------------------------|-----------------------------|
| Cash | \$ 14,776,356 | \$ 12,045,346 |
| Receivables | 42,514,462 | 25,533,967 |
| Investments | 1,716,670,317 | 1,740,198,684 |
| Property and Equipment | <u>3,782,036</u> | <u>3,925,350</u> |
| Total Assets | 1,777,743,171 | 1,781,703,347 |
| Total Liabilities | <u>273,347,500</u> | <u>291,304,025</u> |
| Net Assets Held in Trust for Pension Benefits | <u>\$ 1,504,395,671</u> | <u>\$ 1,490,399,322</u> |

Statements of Changes in Plan Net Assets
For the Years Ended June 30, 2006 and 2005

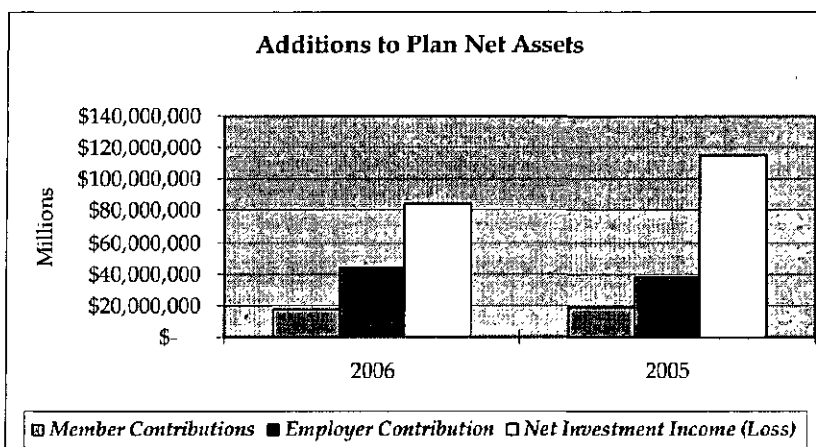
| | <u>2006</u> | <u>2005</u> |
|-------------------------------|--------------------------|--------------------------|
| Additions: | | |
| Contributions | \$ 61,174,981 | \$ 56,700,564 |
| Investment Gains | <u>84,039,860</u> | <u>115,092,079</u> |
| Total Additions | 145,214,841 | 171,792,643 |
| Total Deductions | <u>131,218,492</u> | <u>116,179,118</u> |
| Change in Plan Net Assets | <u>\$ 13,996,349</u> | <u>\$ 55,613,525</u> |

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006

ADDITIONS TO PLAN NET ASSETS

Additions to LSERS plan net assets were derived from member and employer contributions and net gains on investments. Employer contributions increased \$5,704,327 or 15% while member contributions decreased \$1,229,910 or 6%. The increase in employer contributions is due to a 25% increase in the employer contribution rate, however, both the member and employer contributions were less due to a reduction in the salary base as a result of Hurricanes Katrina and Rita. The System experienced net investment income of \$84,039,860 for the fiscal year ending June 30, 2006 as compared to net investment income of \$115,092,079 for fiscal year ending June 30, 2005. This decrease in net investment income is due primarily to performance of the equity portion of the system's portfolio. The performance of the equity portfolio of the system was less than expected.

| <u>Additions to Plan Net Assets</u> | <u>2006</u> | <u>2005</u> | <u>Increase (Decrease) Amount</u> | <u>Increase (Decrease) Percentage</u> |
|-------------------------------------|-----------------------|-----------------------|---|---|
| Member Contributions | \$ 17,716,761 | \$ 18,946,671 | \$ (1,229,910) | (6)% |
| Employer Contributions | 43,458,220 | 37,753,893 | 5,704,327 | 15% |
| Net Investment Income (Loss) | <u>84,039,860</u> | <u>115,092,079</u> | <u>(31,052,219)</u> | (27)% |
| Total | <u>\$ 145,214,841</u> | <u>\$ 171,792,643</u> | <u>\$ (26,577,802)</u> | |

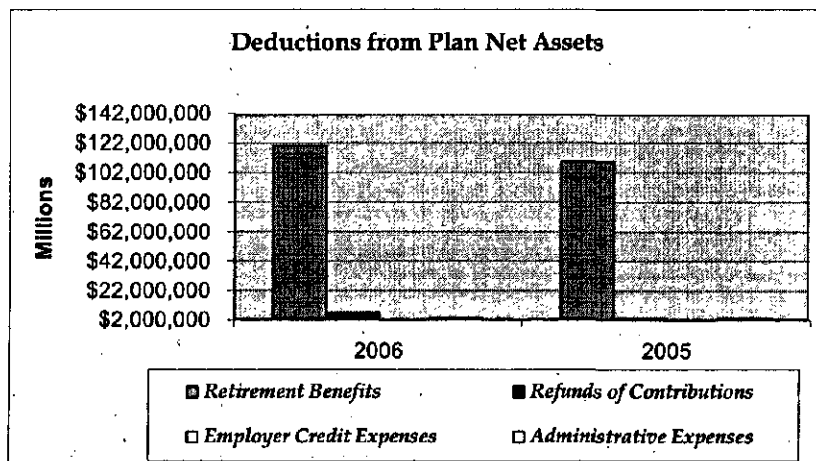


**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006**

DEDUCTIONS FROM PLAN NET ASSETS

Deductions from plan net assets include mainly retirement, death and survivor benefits, refunds of contributions and administrative expenses. Deductions from plan net assets totaled \$131,218,492 in fiscal year 2006. This increase of \$15,039,374 or 12.9% is due mainly to the increase in retirement benefits paid and the refund of member contributions. The cost of administering LSERS benefits per member during 2006 was \$118.

| <u>Deductions to Plan Net Assets</u> | <u>2006</u> | <u>2005</u> | <u>Increase (Decrease) Amount</u> | <u>Increase (Decrease) Percentage</u> |
|--------------------------------------|-----------------------|-----------------------|---|---|
| Retirement Benefits | \$ 119,959,677 | \$ 109,842,001 | \$ 10,117,676 | 9% |
| Refunds of Contributions | 7,070,499 | 2,979,098 | 4,091,401 | 137% |
| Administrative Expenses | 3,276,641 | 3,119,617 | 157,024 | 5% |
| Other Expenses | 911,675 | 238,402 | 673,273 | 282% |
| Total | <u>\$ 131,218,492</u> | <u>\$ 116,179,118</u> | <u>\$ 15,039,374</u> | |



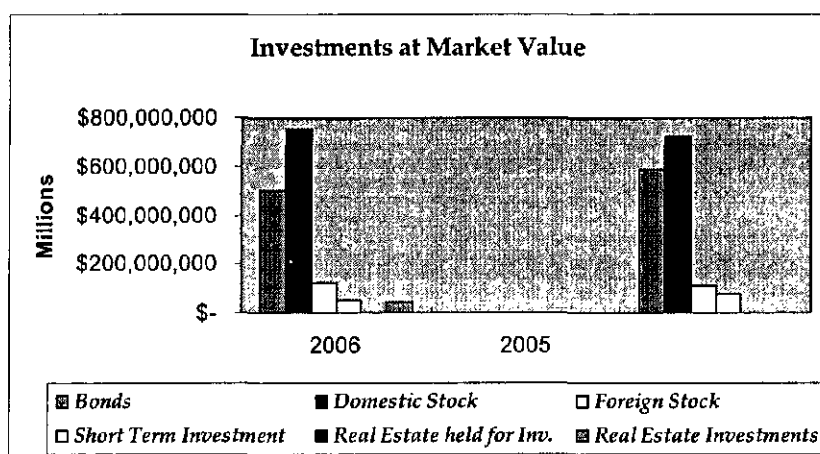
LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2006

INVESTMENTS

LSERS is responsible for the prudent management of funds held in trust for the exclusive benefit of our members. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2006 were \$1,482,756,392 as compared to \$1,492,625,517 at June 30, 2005, a decrease of \$9,869,125. This is less than a one percent decrease in total investments from the previous fiscal year. The reduction in the value of the total investments of the System is largely attributable to the liquidation of assets on a quarterly basis at the rate of approximately \$15 million per quarter in order to fund benefits.

LSERS' investments in various asset classes at the end of the 2006 and 2005 fiscal years are indicated in the following table:

| <u>Investments</u> | <u>2006</u> | <u>2005</u> | <u>Increase (Decrease) Amount</u> | <u>Increase (Decrease) Percentage</u> |
|---------------------------------|-------------------------|-------------------------|---|---|
| Bonds | \$ 501,690,717 | \$ 586,752,454 | \$ (85,061,737) | (14)% |
| Domestic Stock | 753,696,612 | 719,855,456 | 33,841,156 | 5% |
| Foreign Stock | 121,917,501 | 108,039,974 | 13,877,527 | 13% |
| Short Term Investments | 55,052,813 | 75,608,717 | (20,555,904) | (27)% |
| Real Estate Held for Investment | 2,249,936 | 2,368,916 | (118,980) | (5) |
| Real Estate Investments | <u>48,148,813</u> | <u>--</u> | <u>48,148,813</u> | N/A |
| Total | <u>\$ 1,482,756,392</u> | <u>\$ 1,492,625,517</u> | <u>\$ (9,869,125)</u> | |



REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information can be addressed to Louisiana School Employees' Retirement System, Accounting Division, P. O. Box 44516, Baton Rouge, Louisiana 70804-4516.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2006 AND 2005

| | <u>ASSETS</u> | |
|--|-------------------------|-------------------------|
| | <u>2006</u> | <u>2005</u> |
| CASH: | | |
| In bank | \$ <u>14,776,356</u> | \$ <u>12,045,346</u> |
| RECEIVABLES: (Notes 1 and 3) | | |
| Member contributions | 2,747,895 | 2,766,509 |
| Employer contributions | 6,865,880 | 5,393,189 |
| Accrued interest and dividends | 5,688,588 | 5,830,125 |
| Investment receivable | 27,178,465 | 11,520,178 |
| Other | 33,634 | 23,966 |
| Total receivables | <u>42,514,462</u> | <u>25,533,967</u> |
| INVESTMENTS, AT FAIR VALUE: | | |
| (Notes 1, 5, 6, and 7) (Pages 31 - 72) | | |
| U.S. Government and agency obligations | 74,836,061 | 80,853,169 |
| Bonds - domestic and foreign | 422,888,425 | 505,899,285 |
| Fixed income funds | 3,966,231 | - |
| Real estate funds | 48,148,813 | - |
| Marketable securities - domestic | 753,696,612 | 721,815,680 |
| Marketable securities - foreign | 121,917,501 | 106,079,750 |
| Collateral held under securities lending program | 233,913,925 | 247,573,167 |
| Short-term investments | 55,052,813 | 75,608,717 |
| Real estate held for investment | 2,249,936 | 2,368,916 |
| Total investments | <u>1,716,670,317</u> | <u>1,740,198,684</u> |
| PROPERTY AND EQUIPMENT, AT COST: (Notes 1 and 9) | | |
| Building | 3,632,918 | 3,675,776 |
| Land | 1,010,225 | 1,010,225 |
| Furniture and equipment | 1,040,763 | 1,007,789 |
| | <u>5,683,906</u> | <u>5,693,790</u> |
| Less accumulated depreciation | <u>1,901,870</u> | <u>1,768,440</u> |
| Total property and equipment | <u>3,782,036</u> | <u>3,925,350</u> |
| Total assets | <u>1,777,743,171</u> | <u>1,781,703,347</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| LIABILITIES: | | |
| Accounts payable | 1,737,755 | 1,045,285 |
| Accrued expenses and benefits | 436,388 | 226,550 |
| Obligations under securities lending program (Notes 5 and 6) | 233,913,925 | 247,573,167 |
| Investment payable | 37,259,432 | 42,459,023 |
| Total liabilities | <u>273,347,500</u> | <u>291,304,025</u> |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | \$ <u>1,504,395,671</u> | \$ <u>1,490,399,322</u> |
| (A schedule of funding progress for the Plan is presented on Page 25) | | |

See accompanying notes.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

| | <u>2006</u> | <u>2005</u> |
|---|-------------------------|-------------------------|
| ADDITIONS: | | |
| Contributions: (Notes 1 and 3) | | |
| Member contributions | \$ 17,716,761 | \$ 18,946,671 |
| Employer contributions | 43,458,220 | 37,753,893 |
| Total contributions | <u>61,174,981</u> | <u>56,700,564</u> |
| Investment Income: (Note 1) | | |
| Net appreciation in fair value of investments | 32,662,097 | 71,139,104 |
| Interest | 32,764,024 | 30,456,898 |
| Securities lending income | 9,966,739 | 5,093,119 |
| Dividends | 21,373,749 | 16,278,260 |
| Real estate income | 295,479 | 288,935 |
| Foreign currency exchange gain | 4,219 | - |
| | <u>97,066,307</u> | <u>123,256,316</u> |
| Less Investment Expense: | | |
| Investment advisory fee | 3,210,066 | 3,119,925 |
| Custodian and bank fees | 198,141 | 198,800 |
| Foreign currency exchange loss | - | 32,602 |
| Securities lending expense | 9,487,138 | 4,688,316 |
| Real estate expense | 131,102 | 124,594 |
| | <u>13,026,447</u> | <u>8,164,237</u> |
| Net investment gain | <u>84,039,860</u> | <u>115,092,079</u> |
| Total additions | <u>145,214,841</u> | <u>171,792,643</u> |
| DEDUCTIONS: | | |
| Retirement benefits paid | 119,959,677 | 109,842,001 |
| Refunds of contributions | 7,070,499 | 2,979,098 |
| Administrative expenses (Page 73) | 3,276,641 | 3,119,617 |
| Depreciation expense | 133,430 | 140,379 |
| Transfer to other systems - employee | 12,528 | 11,369 |
| Transfer to other systems - employer and interest | 765,717 | 86,654 |
| Total deductions | <u>131,218,492</u> | <u>116,179,118</u> |
| NET INCREASE | <u>13,996,349</u> | <u>55,613,525</u> |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS: | | |
| Beginning of year | 1,490,399,322 | 1,434,785,797 |
| END OF YEAR | <u>\$ 1,504,395,671</u> | <u>\$ 1,490,399,322</u> |

See accompanying notes.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

The State of Louisiana School Employees' Retirement System was established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes (LRS). The Plan is administered by a board of trustees made up of ten members composed of the President of the Louisiana School Bus Operators' Association, the chairman of the House Retirement Committee, the chairman of the Senate Retirement Committee, the Secretary of State, the State Treasurer, a service retiree elected by the retirees of the Plan, and a resident of each of the four districts of the Retirement System elected by the members of the Retirement System for a term of four years each.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of State of Louisiana School Employees' Retirement System (Plan) are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor of the National Council on Governmental Accounting (NCGA).

In addition, these financial statements include the provisions of GASB Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* and related standards. This standard provides for inclusion of a management discussion and analysis as supplementary information and other changes.

Financial Reporting Entity

In June 1991, the Governmental Accounting Standards Board (GASB) issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability.

In determining financial accountability for legally separate organizations, the Plan considered whether its officials appoint a voting majority of an organization's governing body and whether they are able to impose their will on that organization or there is a potential for the organization to provide specific financial burdens to, or to impose specific financial burdens on, the Plan. The Plan also considered whether there are organizations that are fiscally dependent on it. There are no component units of the Plan.

The Plan is a component unit of the State of Louisiana and its financial statements are included in the financial statements of the State of Louisiana.

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting.

Employer and employee contributions are recognized in the period that the employee is compensated for services performed.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

Benefits and refunds paid are recognized when due and payable in accordance with the terms of the Plan.

Interest income is recognized when earned and dividends are recognized at the declaration date.

Expenditures are recognized in the period incurred.

Investments are reported at fair value. Changes in market value are reported as gains or losses in the year the change occurred. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The Plan reports securities lent through the securities lending program as assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Liabilities resulting from securities lending transactions are reported as well.

The Plan invests in S&P 500 Index futures. The changes in the market value of the contracts are reported as gains and losses in the period in which the change occurs.

The investment in real estate consists of the leasing of office space. The investment is valued at fair market value which is based upon appraised value.

Property and Equipment:

Land, building, equipment and furniture are carried at historical cost. Depreciation is computed by the straight-line method based upon useful lives of 40 years for the building and 3 to 10 years for equipment and furniture.

2. PLAN DESCRIPTION:

The State of Louisiana School Employees' Retirement System ("the Plan") is the administrator of a cost-sharing multiple-employer defined benefit pension plan and is a component unit of the State of Louisiana included in the State's CAFR as a Pension Trust Fund. The Plan was established and provided for by R.S.11:1001 of the Louisiana Revised Statutes (LRS). The accompanying statements present information only as to transactions of the program of the Plan as authorized by Louisiana Revised Statutes. For the year ended June 30, 2005, the local government contributors consisted of 67 school boards and 23 other agencies contributing to the Plan. For the year ended June 30, 2004, the local government contributors consisted of 67 school boards and 23 other agencies contributing to the Plan.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION: (Continued)

The Plan provides retirement benefits to non-teacher school employees excluding those classified as lunch workers within the public school system of Louisiana. At June 30, 2006 and 2005, plan membership consisted of:

| | <u>2006</u> | <u>2005</u> |
|---|-------------------|-------------------|
| Retirees and beneficiaries | | |
| currently receiving benefits | 11,687 | 10,953 |
| Terminated employees entitled to benefits | | |
| but not yet receiving them | 292 | 356 |
| Terminated vested employees who have not | | |
| withdrawn contributions (DROP) | 732 | 856 |
| Fully vested, partially and | | |
| nonvested active employees | <u>13,079</u> | <u>13,837</u> |
| TOTAL PARTICIPANTS | <u>25,790</u> | <u>26,002</u> |

Eligibility Requirements:

Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 - 11:1153.

Membership is mandatory for all persons employed by a Louisiana Parish or City School Board or by the Lafourche Special Education District #1 who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide, a monitor or attendant, or any other regular school employee who actually works on a school bus helping with the transportation of school children. If a person is employed by and is eligible to be a member of more than one public agency within the state, he must be a member of each such retirement system. Members are vested after 10 years of service.

All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employee who works 20 hours or less per week and does not have at least 10 years of credited service will be refunded their contributions.

Benefits:

A member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION: (Continued)

Benefits: (Continued)

The maximum retirement benefit is an amount equal to 3 1/3% of the average compensation for the three highest consecutive years of membership service, multiplied by the number of years of service limited to 100% of final average compensation, plus a supplementary allowance of \$2.00 per month for each year of service. The supplemental allowance was eliminated for members entering the Plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board.

Upon the death of a member with five or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from \$300 up to 75% of the member's average compensation for the three highest consecutive years of membership service.

Members of the Plan may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the system terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the Plan. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The Plan maintains subaccounts within this account reflecting the credits attributed to each participant in the Plan. All amounts which remain credited to the individual's subaccount are credited with interest at the end of the fiscal year at a rate equal to the realized return of the Plan's portfolio for the Plan year less one-half of one percent.

Upon termination of participation in both the Plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION: (Continued)

Benefits: (Continued)

The Plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Effective January 1, 1996, the state legislature authorized the Plan to establish an Initial Benefit Retirement Plan (IBRP) program. IBRP is available to members who have not participated in DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

3. CONTRIBUTIONS AND RESERVES:

Contributions for plan members are established by state statute at 7.5% of their annual covered salary for the years ended June 30, 2006 and 2005. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. The employer rate for the years ended June 30, 2006 and 2005 was 18.4% and 14.8%, respectively.

Administrative costs are included in aggregate normal cost.

Reserves:

Use of the term "reserve" by the retirement system indicates that a portion of the fund balances is legally restricted for a specific future use. The nature and purpose of these reserves are explained below:

A) Administrative:

The Administrative Fund Reserve provides for general and administrative expenses of the Plan and those expenses not funded through other specific legislative appropriations. Funding consists of transfers from the investment earnings and is made as needed. The Administrative Fund Reserve as of June 30, 2006 and 2005 is \$-0- and \$-0-, respectively. Any excess funds at year end are closed out to the Pension Accumulation Fund per Louisiana Statute.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the Plan. When a member terminates his service or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Survivor Benefit Reserve. When a member retires, the amount of his accumulated contributions is transferred to Pension Reserve to provide part of the benefits. The Annuity Savings as of June 30, 2006 and 2005 is \$135,649,178 and \$141,416,611, respectively. The Annuity Savings is fully funded.

C) Pension Accumulation Fund:

The Pension Accumulation Fund consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Pension Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation Fund as of June 30, 2006 and 2005 is \$524,767,645 and \$626,398,551, respectively. The Pension Accumulation Fund is 30% funded at June 30, 2006 and 36% funded at June 30, 2005.

D) Pension Reserve and Survivors Benefit Reserve:

The Pension Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to retired members and is the reserve account from which such pensions and annuities are paid. Survivors of active members receive benefits from the Survivors Benefit Reserve account. The Pension Reserve as of June 30, 2006 and 2005 is \$1,040,221,198 and \$959,145,929, respectively. The Survivors Benefit Reserve as of June 30, 2006 and 2005 is \$108,606,912 and \$103,311,265, respectively. Both Reserves are fully funded.

E) Deferred Retirement Option Account:

The Deferred Retirement Option account consists of the reserves for all members who upon retirement eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, and upon termination may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option as of June 30, 2006 and 2005 is \$62,477,642 and \$58,574,777, respectively. The Deferred Retirement Option account is fully funded.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

F) Initial Benefit Retirement Plan Reserve:

The Initial Benefit Retirement Plan Reserve consists of the reserves for all participants who elect to take a lump sum benefit payment up front and subsequently receive a reduced monthly benefit. The maximum amount a member may receive up front is 36 months times the maximum benefit. The Initial Benefit Retirement Plan Reserve as of June 30, 2006 and 2005 is \$871,690 and \$597,489, respectively. The Initial Benefit Retirement Plan Reserve is fully funded.

4. ACTUARIAL COST METHOD:

The individual "Entry Age Normal" cost method was used to calculate the funding requirements of the Retirement System. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as a percentage of payroll for each participant between entry age and assumed retirement age(s). That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in excess of the actuarial present value of future normal cost is called the actuarial accrued liability.

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the Plan's deposits, cash equivalents and investments at June 30, 2006 and 2005:

| | <u>2006</u> | <u>2005</u> |
|-------------------------|-------------------------|-------------------------|
| Deposits (bank balance) | \$ 17,110,092 | \$ 12,704,204 |
| Cash equivalents | 55,052,813 | 75,608,717 |
| Investments | <u>1,661,617,504</u> | <u>1,664,589,967</u> |
| | <u>\$ 1,733,780,409</u> | <u>\$ 1,752,902,888</u> |

Deposits:

The Plan's bank deposits were entirely covered by federal depository insurance and by pledged securities. The pledged securities were held at the Federal Reserve in joint custody.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Cash Equivalents:

For the years ending June 30, 2006 and 2005, cash equivalents in the amount of \$52,973,614 and \$75,279,057, respectively, consist of government pooled investments, commercial paper and a government agency note. The funds are managed and held by a separate money manager and are in the name of the Plan. For the years ending June 30, 2006 and 2005, cash equivalents in the amount of \$326,492 and \$329,660, respectively, consist of U. S. Treasury Bills managed by a separate money manager, held by the Plan's custodian, and are in the name of the Plan. For the years ending June 30, 2006 and 2005, cash equivalents in the amount of \$1,752,707 and \$-0-, respectively, consist of money market funds held by the Plan's custodian in the name of the Plan.

Investments:

In accordance with LRS 11:263, the Plan is authorized to invest under the Prudent-Man Rule. The Prudent-Man Rule means that, in investing, the governing authorities of the Plan "shall exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income." Notwithstanding the Prudent-Man Rule, the Plan shall not invest more than sixty-five percent of the total portfolio in equity investments. However, the Plan's internal investment policy limits the portion of the portfolio that can be invested in equities to fifty percent.

Concentration of Credit Risk:

The Plan's investment policy states that no more than 5 percent of the total stock portfolio valued at market may be invested in the common stock of any one organization. In addition, no more than 10% at cost of the total long-term debt portfolio at cost may be invested in any one issuer's securities. There were no investments in any one organization which represented 5% of total investments at June 30, 2006 and 2005.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit ratings of the Plan's investments in long-term debt securities as of June 30, 2006 and 2005 (U.S. Government and Agency obligations totaling \$74,836,061 and \$80,853,169 are not rated). Below is a schedule of other bonds and bond funds with their applicable ratings.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

| <u>2006</u> | | <u>Corporate</u> | <u>Mortgage-backed</u> | <u>Collateralized</u> | | <u>Total</u> | <u>Fixed Income</u> |
|-------------|----|--------------------|------------------------|------------------------|----------------------|-----------------------|---------------------|
| | | <u>bonds</u> | <u>securities</u> | <u>mortgage oblig.</u> | <u>Other</u> | <u>Bonds</u> | <u>Funds</u> |
| AAA | \$ | 5,651,780 | \$ 32,707,050 | \$ 18,245,781 | \$ 872,852 | \$ 57,477,463 | \$ - |
| AA+ | | - | - | - | - | - | 437,871 |
| AA | | 495,717 | 825,558 | - | 1,026,196 | 2,347,471 | - |
| AA- | | 14,022,458 | - | - | 1,299,966 | 15,322,424 | - |
| A+ | | 20,942,192 | - | - | - | 20,942,192 | - |
| A | | 20,010,388 | - | - | 3,857,652 | 23,868,040 | - |
| A- | | 18,587,533 | - | - | 287,062 | 18,874,595 | - |
| BBB+ | | 30,172,007 | 626,972 | - | - | 30,798,979 | - |
| BBB | | 29,258,474 | 1,648,820 | 609,171 | 6,454,641 | 37,971,106 | 431,280 |
| BBB- | | 15,688,473 | 459,143 | 565,203 | 1,102,222 | 17,815,041 | - |
| BB+ | | 4,280,887 | - | - | 1,651,759 | 5,932,646 | - |
| BB | | 2,005,000 | - | - | - | 2,005,000 | - |
| BB- | | 4,840,375 | - | - | 459,000 | 5,299,375 | 1,648,920 |
| B+ | | 3,911,810 | - | - | - | 3,911,810 | - |
| B | | 667,850 | - | - | - | 667,850 | - |
| B- | | - | - | - | 686,250 | 686,250 | - |
| Not rated | | - | 143,122,908 | 35,845,275 | - | 178,968,183 | 1,448,160 |
| | \$ | <u>170,534,944</u> | <u>\$ 179,390,451</u> | <u>\$ 55,265,430</u> | <u>\$ 17,697,600</u> | <u>\$ 422,888,425</u> | <u>\$ 3,966,231</u> |

| <u>2005</u> | | <u>Corporate</u> | <u>Mortgage-backed</u> | <u>Collateralized</u> | | <u>Foreign</u> | <u>Total</u> |
|-------------|----|--------------------|------------------------|------------------------|----------------------|-------------------|-----------------------|
| | | <u>bonds</u> | <u>securities</u> | <u>mortgage oblig.</u> | <u>Other</u> | <u>Government</u> | |
| AAA | \$ | 8,246,037 | \$ 39,990,533 | \$ 46,259,994 | \$ - | \$ - | \$ 94,496,564 |
| AA | | 1,191,596 | 1,292,175 | - | 410,296 | - | 2,894,067 |
| AA- | | 8,937,414 | - | - | 1,291,615 | - | 10,229,029 |
| A+ | | 33,550,632 | - | - | - | - | 33,550,632 |
| A | | 26,202,692 | - | 883,899 | 766,135 | - | 27,852,726 |
| A- | | 26,313,747 | - | - | 2,149,026 | - | 28,462,773 |
| BBB+ | | 32,039,936 | 631,917 | 994,029 | 1,301,160 | - | 34,967,042 |
| BBB | | 32,371,933 | 3,395,224 | - | 4,231,860 | - | 39,999,017 |
| BBB- | | 20,879,624 | 1,235,566 | - | 955,153 | - | 23,070,343 |
| BB+ | | 11,204,914 | - | - | 678,900 | - | 11,883,814 |
| BB | | 4,291,632 | - | - | - | - | 4,291,632 |
| BB- | | 2,251,750 | - | - | - | - | 2,251,750 |
| B+ | | 1,080,000 | 996,076 | - | - | - | 2,076,076 |
| B | | 1,414,400 | - | - | 1,298,850 | - | 2,713,250 |
| Not rated | | - | 164,192,623 | 22,967,947 | - | - | 187,160,570 |
| | \$ | <u>209,976,307</u> | <u>\$ 211,734,114</u> | <u>\$ 71,105,869</u> | <u>\$ 13,082,995</u> | <u>\$ -</u> | <u>\$ 505,899,285</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

The Plan's investment policy limits its investments to corporate debt issues rated investment grade by Moody's Investor Services, Standard & Poors, Fitch Investor Services, or Duff & Phelps. Securities that are downgraded below the policy standard must be sold within a reasonable amount of time. In addition, the plan may invest in debt instruments of the U.S. Government or its agencies.

Cash collateral invested under the securities lending program may be invested in regulated investment companies, U.S. or Eurodollar deposits, commercial paper rated A2, P2 or higher at the time of investment, repurchase agreements, bankers' acceptances or similar quality money market or cash equivalent investments. The plan is in compliance with the investment policy regarding cash collateral invested under the securities lending program.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Plan is not exposed to custodial credit risk at June 30, 2006 and 2005 for investments in the amounts of \$1,482,756,392 and \$1,492,625,517, respectively, since the investments are in the name of the Plan. At June 30, 2006 and 2005, for collateral held under securities lending in the amounts of \$233,913,925 and \$247,573,167, respectively, and noncash collateral received under the securities lending program in the amounts of \$14,046,699 and \$7,057,170, respectively, the Plan is exposed to custodial credit risk since these investments are not in the name of the Plan. The Plan has no formal investment policy regarding custodial credit risk.

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's exposure to foreign currency risk is limited to its investment in foreign marketable securities at June 30, 2006 and 2005 as follows:

| | 2006 | 2005 |
|-------------------|-------------------|-------------------|
| <u>Currency</u> | <u>Fair Value</u> | <u>Fair Value</u> |
| Australian dollar | \$ 6,669,039 | \$ 6,330,776 |
| European euro | 14,113,527 | 17,958,523 |
| Canadian dollar | 3,249,348 | 2,742,783 |
| Hong Kong dollar | 14,381,685 | 13,373,812 |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Foreign Currency Risk: (Continued)

| | | |
|---------------|-----------------------|-----------------------|
| Danish krone | 3,343,261 | 2,673,915 |
| Japanese yen | 60,348,020 | 46,622,327 |
| Swedish krona | 3,010,044 | 3,686,539 |
| Swiss franc | 2,539,918 | -- |
| British pound | 14,262,659 | 12,691,075 |
| Total | <u>\$ 121,917,501</u> | <u>\$ 106,079,750</u> |

The Plan's investment policy has a target of 10 percent of total investments in foreign marketable securities. At June 30, 2006 and 2005, the Plan's current position is 8 percent and 7 percent, respectively.

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2006 and 2005, the Plan had the following investments in long-term debt securities and maturities:

2006

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 1</u> | <u>1 - 5</u> | <u>6 - 10</u> | <u>More Than 10</u> |
|---|-----------------------|--------------------|----------------------|-----------------------|-----------------------|
| U.S. Government and Government Agency Obligations | \$ 74,836,061 | \$ - | \$ 58,855,290 | \$ 3,592,761 | \$ 12,388,010 |
| Other Bonds: | | | | | |
| Corporate Bonds | \$ 170,534,944 | \$ - | \$ 49,570,512 | \$ 87,193,925 | \$ 33,770,507 |
| Mortgage-backed securities | 179,390,451 | 293,616 | 7,320,941 | 5,081,028 | 166,694,866 |
| Collateralized mortgage obligations | 55,265,430 | - | - | 1,507,764 | 53,757,666 |
| Other | 17,697,600 | - | 1,360,759 | 6,855,932 | 9,480,909 |
| | <u>\$ 422,888,425</u> | <u>\$ 293,616</u> | <u>\$ 58,252,212</u> | <u>\$ 100,638,649</u> | <u>\$ 263,703,948</u> |
| Collateral Held Under Securities Lending Program | \$ 233,913,925 | \$ 233,913,925 | \$ - | \$ - | \$ - |

2005

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Less Than 1</u> | <u>1 - 5</u> | <u>6 - 10</u> | <u>More Than 10</u> |
|---|-----------------------|---------------------|----------------------|-----------------------|-----------------------|
| U.S. Government and Government Agency Obligations | \$ 80,853,169 | \$ - | \$ 35,080,916 | \$ 15,951,819 | \$ 29,820,434 |
| Other Bonds: | | | | | |
| Corporate Bonds | \$ 209,976,307 | \$ 3,357,279 | \$ 47,973,434 | \$ 124,078,295 | \$ 34,567,299 |
| Mortgage-backed securities | 211,734,114 | - | 10,389,508 | 11,303,740 | 190,040,866 |
| Collateralized mortgage obligations | 71,105,869 | - | 8,666,780 | 1,768,049 | 60,671,040 |
| Other | 13,082,995 | - | 1,925,152 | 4,128,283 | 7,029,560 |
| | <u>\$ 505,899,285</u> | <u>\$ 3,357,279</u> | <u>\$ 68,954,874</u> | <u>\$ 141,278,367</u> | <u>\$ 292,308,765</u> |
| Collateral Held Under Securities Lending Program | \$ 247,573,167 | \$ 247,573,167 | \$ - | \$ - | \$ - |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

As a means of limiting its exposure to fair value losses arising from rising interest rates, no more than 3 percent of the Plan's investment portfolio may have stated maturities in excess of 30 years.

The Plan invests in collateralized mortgage obligations. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

6. SECURITY LENDING TRANSACTIONS:

State statutes and Board of Trustees' policies permit the Plan to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Plan entered into a contract with a company which acts as its third-party securities lending agent. The lending agent has access to the Plan's lendable portfolio or available assets. The agent lends available assets such as U.S. and non U.S. equities, corporate bonds, and U.S. Government and Government Agency Securities. Securities are loaned versus collateral that may include cash, U.S. Government securities, and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any accrued interest. Non U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. At year-end, the Plan has no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. The contract with the Plan's agent requires it to provide borrower indemnification. The custodian's responsibility includes performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

All security loans can be terminated on demand by either the Plan or the borrower, although the average term of a loan is 83 days. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end has a weighted-average maturity of 28 days. Cash collateral may also be invested separately in "term loans", in which the investments match the loan term. These loans can be terminated on demand by either lender or borrower. The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of the security loans made by other entities that use the agent's pool, which the Plan cannot determine. The Plan cannot pledge or sell collateral securities received unless the borrower defaults. There were no significant violations of legal or contractual provisions and no borrower or lending agent default losses are known to the securities lending agent.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

6. SECURITY LENDING TRANSACTIONS: (Continued)

The Plan has the following securities on loan:

| | <u>June 30, 2006</u> | <u>June 30, 2005</u> |
|------------------------------------|-----------------------|-----------------------|
| | Market | Market |
| | (Carrying Value) | (Carrying Value) |
| U. S. Government Securities | \$ 38,363,700 | \$ 69,609,103 |
| U. S. Government Agency Securities | 5,480,892 | 3,948,514 |
| Government Securities – Foreign | 271,244 | -- |
| Corporate bonds | 53,575,997 | 51,407,847 |
| Marketable Securities – domestic | 121,134,178 | 113,740,517 |
| Marketable Securities – foreign | <u>24,662,716</u> | <u>9,754,821</u> |
| | <u>\$ 243,488,727</u> | <u>\$ 248,460,802</u> |

Securities on loan at June 30, 2006 and 2005 are collateralized by cash collateral in the amount of \$233,913,925 and \$247,573,167, respectively, and noncash collateral in the amount of \$14,046,699 and \$7,057,170, respectively.

The term to maturity of the securities loaned is matched with the term to maturity of the investment of the cash collateral at June 30, 2006 and 2005. Such matching did exist since loans may be terminated on demand.

7. FUTURES:

The Plan has entered into futures contracts for the purpose of maintaining market exposure for excess cash. At June 30, 2006 and 2005, the Plan had ten and nineteen outstanding S&P future contracts, respectively. The notional value of the open contracts at June 30, 2006 and 2005 was \$3,153,988 and \$5,700,988, respectively. The fair value of the open contracts at June 30, 2006 and 2005 was \$3,198,500 and \$5,678,625, respectively.

The Plan is exposed to credit loss in the event of nonperformance by the other parties to the futures contracts. However, the Plan does not anticipate nonperformance by the counterparties. The Plan is exposed to market risk as a result of possible future changes in market prices. The maximum amount of credit or market risk to the Plan is the notional value of the contracts. During the year ended June 30, 2006 and 2005, the Plan realized net losses of \$(286,923) and \$(152,903), respectively, on futures trading. The net losses and gains are recorded on the financial statements in net appreciation in fair value income.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

8. PER DIEM PAID TO BOARD MEMBERS:

Per diem paid to board members, as presented on Page 30, was established at \$75.00 per day in accordance with Louisiana Revised Statute 42:700.2.

9. PROPERTY AND EQUIPMENT:

Changes in property and equipment are as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfer to Investment</u> | <u>Ending Balance</u> |
|-----------------------------|------------------------------|---------------------|------------------|-----------------------------------|---------------------------|
| Building | \$ 3,675,776 | \$ -- | \$ -- | \$ (42,858) | \$ 3,632,918 |
| Land | 1,010,225 | -- | -- | -- | 1,010,225 |
| Furniture and equipment | 1,007,789 | 32,974 | -- | -- | 1,040,763 |
| Accumulated depreciation | <u>(1,768,440)</u> | <u>(133,430)</u> | <u>--</u> | <u>--</u> | <u>(1,901,870)</u> |
| | <u>\$ 3,925,350</u> | <u>\$ (100,456)</u> | <u>\$ --</u> | <u>\$ (42,858)</u> | <u>\$ 3,782,036</u> |

Depreciation expense for the years ended June 30, 2006 and 2005 was \$133,430 and \$140,379, respectively.

10. SUPPLEMENTARY INFORMATION:

In accordance with GASB 25, required supplementary information can be found in the attached schedules on pages 25 through 27.

11. TAX QUALIFICATION:

The Plan is a Tax Qualified Plan Under IRS Code Section 401(a).

12. ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

13. OPERATING LEASES:

The Plan leases office space recorded as real estate held for investment under an operating lease expiring October 31, 2010.

Minimum future rentals to be received on operating leases for each of the next 4 years and in the aggregate are:

| <u>JUNE 30</u> | |
|----------------|-------------------|
| 2007 | \$ 283,193 |
| 2008 | 283,193 |
| 2009 | 283,193 |
| 2010 | <u>94,398</u> |
| | <u>\$ 943,977</u> |

The lease may be terminated under various circumstances by both parties.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(DOLLAR AMOUNTS IN THOUSANDS)
JUNE 30, 2001 THROUGH 2006

| <u>Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Actuarial Accrued Liability (AAL) Entry Age (b)</u> | <u>(Surplus) Underfunded AAL (UAAL) (b-a)</u> | <u>Funded Ratio (a/b)</u> | <u>Annual Covered Payroll (c)</u> | <u>UAAL as a Percentage of Covered Payroll (b-a/c)</u> |
|-------------|--|--|---|-----------------------------------|---|--|
| 2001 | \$1,516,236* | \$1,472,423 | \$ (43,813) | 103.0% | \$249,674 | .-% |
| 2002 | 1,433,859* | 1,582,071 | 148,212 | 90.6 | 258,876 | 57.3 |
| 2003 | 1,369,601* | 1,730,796 | 361,195 | 79.1 | 268,656 | 134.4 |
| 2004 | 1,381,154 | 1,820,958 | 439,804 | 75.8 | 259,698 | 169.4 |
| 2005 | 1,423,207 | 1,889,445 | 466,238 | 75.3 | 259,232 | 179.9 |
| 2006 | 1,480,748 | 1,872,594 | 391,846 | 79.1 | 239,321 | 163.7 |

* The actuarial value of assets are reduced by the employer credit account.

STATE OF LOUISIANA
 SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2001 THROUGH 2006

| <u>Year Ended June 30</u> | <u>Actuarially Required Contribution</u> | <u>Percentage Contributed</u> |
|-------------------------------|--|-----------------------------------|
| 2001 | \$ 3,782,309 | 111.05% |
| 2002 | 17,784,367 | 85.29 |
| 2003 | 28,989,602 | 101.11 |
| 2004 | 47,222,922 | 59.30 |
| 2005 | 45,553,547 | 82.88 |
| 2006 | 49,942,339 | 87.0 |

The actuarially required contribution differs significantly from actual contributions made due to the Plan's requirement to contribute the greater of the actuarially required amount or the contribution percentage required by the Louisiana Constitution in the amount of 6%. The statutory rate was higher than the actuarially required rate for the year 2001. The excess contributions collected were added to the employer credit account. The employer credit account was used to fund future years actuarially required employer contributions.

For the years ending June 30, 2006, 2005 and 2004, the actuarially required contribution differs from actual contributions made due to state statute that requires the contribution rate be calculated and set two years prior to the year effective.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NOTES TO SCHEDULE OF FUNDING PROGRESS AND
SCHEDULE OF CONTRIBUTIONS
JUNE 30, 2001 THROUGH 2006

The information presented in the required supplementary schedules was determined from the actuarial valuations at the dates indicated. Additional information as of actuarial valuation date of June 30, 2006 follows:

| | |
|-------------------------------|---|
| Valuation date | June 30, 2006 |
| Actuarial cost method | Entry Age |
| Amortization method | Level Percentage of Projected Payroll, the amortization period is for a specified number of years (closed basis) |
| Remaining amortization period | 23 years |
| Asset valuation method | The Actuarial Value of Assets is the market value of assets adjusted for a four year weighted average in the unrealized gain or loss in the value of all assets. |
| Actuarial assumptions: | |
| Investment rate of return | 7.5% |
| Projected salary increases | The rate of annual salary growth is based on the members' years of service. |
| Cost of living adjustments | The liability for cost of living raises already granted is included in the retiree reserve. Future cost of living increases are only granted if specific target ratios are met and excess interest earnings are available to fund the cost of benefit increases. |
| Change in methodology | During the 2005-2006 fiscal year, the method used to determine the minimum disability benefit exposure for active members was changed. It was determined that the prior method overstated the liability resulting in an \$8,448,147 reduction to the unfunded liability and a 0.25% of payroll reduction in the active members Normal Cost. |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

| | Pension Reserve | Survivor Benefit | Annuity Savings | DROP |
|--|--------------------|---------------------|--------------------|---------------|
| BALANCES, JULY 1, 2005 | \$ 959,145,929 | \$ 103,311,265 | \$ 141,416,611 | \$ 58,574,777 |
| REVENUES AND TRANSFERS: | | | | |
| Contributions: | | | | |
| Members | - | - | 17,716,761 | - |
| Employers | - | - | - | - |
| Investment income and other sources | - | - | - | - |
| Transfers from Annuity Savings | 16,401,167 | - | - | - |
| Pensions transferred from Pension Reserve | - | - | - | 16,619,736 |
| Transfers from other systems | - | - | - | - |
| Operating transfers | - | - | - | - |
| Transfer from Pension Accumulation | - | - | - | - |
| Actuarial transfers | 186,375,560 | 7,730,932 | - | - |
| Total revenues | 202,776,727 | 7,730,932 | 17,716,761 | 16,619,736 |
| EXPENDITURES AND TRANSFERS: | | | | |
| Retirement allowances paid | 103,999,096 | 2,435,285 | - | 12,716,871 |
| Refunds to members | - | - | 7,070,499 | - |
| Transfers to Pension Reserve | - | - | 16,401,167 | - |
| Pensions transferred to Survivor Benefit | - | - | - | - |
| Pensions transferred to DROP | 16,619,736 | - | - | - |
| Pensions transferred to IBRP | 1,082,626 | - | - | - |
| Employer contribution refund | - | - | - | - |
| Transfers to other systems | - | - | 12,528 | - |
| Depreciation | - | - | - | - |
| Administrative expenses | - | - | - | - |
| Operating transfers | - | - | - | - |
| Actuarial transfer | - | - | - | - |
| Total expenditures | 121,701,458 | 2,435,285 | 23,484,194 | 12,716,871 |
| NET INCREASE (DECREASE) | 81,075,269 | 5,295,647 | (5,767,433) | 3,902,865 |
| BALANCES - JUNE 30, 2006 | \$ 1,040,221,198 | \$ 108,606,912 | \$ 135,649,178 | \$ 62,477,642 |

| <u>IBRP</u> | <u>Pension Accumulation</u> | <u>Administrative Fund</u> | <u>Surplus (Unfunded) Actuarial Liability</u> | <u>Total</u> |
|-------------------|---------------------------------|--------------------------------|---|-------------------------|
| \$ <u>597,489</u> | \$ <u>626,398,551</u> | \$ <u>-</u> | \$ <u>(399,045,300)</u> | \$ <u>1,490,399,322</u> |
| - | - | - | - | 17,716,761 |
| - | 43,458,220 | - | - | 43,458,220 |
| - | 84,039,860 | - | - | 84,039,860 |
| - | - | - | - | 16,401,167 |
| 1,082,626 | - | - | - | 17,702,362 |
| - | - | - | - | - |
| - | - | 3,276,641 | - | 3,276,641 |
| - | - | - | - | - |
| - | - | - | 30,846,706 | 224,953,198 |
| <u>1,082,626</u> | <u>127,498,080</u> | <u>3,276,641</u> | <u>30,846,706</u> | <u>407,548,209</u> |
| 808,425 | - | - | - | 119,959,677 |
| - | - | - | - | 7,070,499 |
| - | - | - | - | 16,401,167 |
| - | - | - | - | - |
| - | - | - | - | 16,619,736 |
| - | - | - | - | 1,082,626 |
| - | - | - | - | - |
| - | 765,717 | - | - | 778,245 |
| - | 133,430 | - | - | 133,430 |
| - | - | 3,276,641 | - | 3,276,641 |
| - | 3,276,641 | - | - | 3,276,641 |
| - | 224,953,198 | - | - | 224,953,198 |
| <u>808,425</u> | <u>229,128,986</u> | <u>3,276,641</u> | <u>-</u> | <u>393,551,860</u> |
| 274,201 | (101,630,906) | - | 30,846,706 | 13,996,349 |
| \$ <u>871,690</u> | \$ <u>524,767,645</u> | \$ <u>-</u> | \$ <u>(368,198,594)</u> | \$ <u>1,504,395,671</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

| | <u>Pension Reserve</u> | <u>Survivor Benefit</u> | <u>Annuity Savings</u> | <u>DROP</u> |
|--|------------------------------|------------------------------|------------------------------|-----------------------------|
| BALANCES, JULY 1, 2004 | \$ <u>874,493,668</u> | \$ <u>98,073,175</u> | \$ <u>140,874,673</u> | \$ <u>51,538,322</u> |
| REVENUES AND TRANSFERS: | | | | |
| Contributions: | | | | |
| Members | - | - | 18,946,671 | - |
| Employers | - | - | - | - |
| Investment income and other sources | - | - | - | - |
| Transfers from Annuity Savings | 15,414,266 | - | - | - |
| Pensions transferred from Pension Reserve | - | - | - | 17,363,733 |
| Transfers from other systems | - | - | - | - |
| Operating transfers | - | - | - | - |
| Transfer from Pension Accumulation | - | - | - | - |
| Actuarial transfers | <u>183,903,602</u> | <u>7,662,525</u> | - | - |
| Total revenues | <u>199,317,868</u> | <u>7,662,525</u> | <u>18,946,671</u> | <u>17,363,733</u> |
| EXPENDITURES AND TRANSFERS: | | | | |
| Retirement allowances paid | 96,246,145 | 2,424,435 | - | 10,327,278 |
| Refunds to members | - | - | 2,979,098 | - |
| Transfers to Pension Reserve | - | - | 15,414,266 | - |
| Pensions transferred to Survivor Benefit | - | - | - | - |
| Pensions transferred to DROP | 17,363,733 | - | - | - |
| Pensions transferred to IBRP | 1,055,729 | - | - | - |
| Employer contribution refund | - | - | - | - |
| Transfers to other systems | - | - | 11,369 | - |
| Depreciation | - | - | - | - |
| Administrative expenses | - | - | - | - |
| Operating transfers | - | - | - | - |
| Actuarial transfer | - | - | - | - |
| Total expenditures | <u>114,665,607</u> | <u>2,424,435</u> | <u>18,404,733</u> | <u>10,327,278</u> |
| NET INCREASE (DECREASE) | <u>84,652,261</u> | <u>5,238,090</u> | <u>541,938</u> | <u>7,036,455</u> |
| BALANCES - JUNE 30, 2005 | \$ <u><u>959,145,929</u></u> | \$ <u><u>103,311,265</u></u> | \$ <u><u>141,416,611</u></u> | \$ <u><u>58,574,777</u></u> |

| <u>IBRP</u> | <u>Pension Accumulation</u> | <u>Administrative Fund</u> | <u>Surplus (Unfunded) Actuarial Liability</u> | <u>Total</u> |
|-------------------|---------------------------------|--------------------------------|---|-------------------------|
| \$ <u>385,903</u> | \$ <u>655,592,936</u> | \$ <u>-</u> | \$ <u>(386,172,880)</u> | \$ <u>1,434,785,797</u> |
| - | - | - | - | 18,946,671 |
| - | 37,753,893 | - | - | 37,753,893 |
| - | 115,092,079 | - | - | 115,092,079 |
| - | - | - | - | 15,414,266 |
| 1,055,729 | - | - | - | 18,419,462 |
| - | - | - | - | - |
| - | - | 3,119,617 | - | 3,119,617 |
| - | - | - | - | - |
| - | - | - | - | 191,566,127 |
| <u>1,055,729</u> | <u>152,845,972</u> | <u>3,119,617</u> | <u>-</u> | <u>400,312,115</u> |
| 844,143 | - | - | - | 109,842,001 |
| - | - | - | - | 2,979,098 |
| - | - | - | - | 15,414,266 |
| - | - | - | - | - |
| - | - | - | - | 17,363,733 |
| - | - | - | - | 1,055,729 |
| - | - | - | - | - |
| - | 86,654 | - | - | 98,023 |
| - | 140,379 | - | - | 140,379 |
| - | - | 3,119,617 | - | 3,119,617 |
| - | 3,119,617 | - | - | 3,119,617 |
| - | 178,693,707 | - | 12,872,420 | 191,566,127 |
| <u>844,143</u> | <u>182,040,357</u> | <u>3,119,617</u> | <u>12,872,420</u> | <u>344,698,590</u> |
| 211,586 | (29,194,385) | - | (12,872,420) | 55,613,525 |
| \$ <u>597,489</u> | \$ <u>626,398,551</u> | \$ <u>-</u> | \$ <u>(399,045,300)</u> | \$ <u>1,490,399,322</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF PER DIEM AND TRAVEL PAID TO TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

| <u>JUNE 30, 2006</u> | | | | |
|----------------------|---------------------------------|-----------------|-----------------|------------------|
| <u>TRUSTEE</u> | NUMBER OF <u>MEETINGS</u> | <u>AMOUNTS</u> | | <u>TOTAL</u> |
| | | <u>MEETINGS</u> | <u>TRAVEL</u> | |
| Jeffrey Faulk | 17 | \$ 1,275 | \$ 698 | \$ 1,973 |
| Betty Crain | 17 | 1,275 | 1,371 | 2,646 |
| Betty Jacobs | 15 | 1,125 | - | 1,125 |
| Sylvia Myers | 2 | 150 | 290 | 440 |
| Judith McKee | 17 | 1,275 | 1,844 | 3,119 |
| Larry Wilmer | 16 | 1,200 | 1,360 | 2,560 |
| Earl Richard | 17 | <u>1,275</u> | <u>1,227</u> | <u>2,502</u> |
| TOTALS | | \$ <u>7,575</u> | \$ <u>6,790</u> | \$ <u>14,365</u> |

| <u>JUNE 30, 2005</u> | | | | |
|----------------------|---------------------------------|-----------------|-----------------|------------------|
| <u>TRUSTEE</u> | NUMBER OF <u>MEETINGS</u> | <u>AMOUNTS</u> | | <u>TOTAL</u> |
| | | <u>MEETINGS</u> | <u>TRAVEL</u> | |
| Jeffrey Faulk | 15 | \$ 1,125 | \$ 800 | \$ 1,925 |
| Betty Crain | 15 | 1,275 | 1,225 | 2,350 |
| Betty Jacobs | 15 | 1,125 | - | 1,125 |
| Sylvia Myers | 14 | 1,050 | 1,465 | 2,515 |
| Joe Seymour | 7 | 525 | 841 | 1,366 |
| Judith McKee | 7 | 525 | 966 | 1,491 |
| Larry Wilmer | 14 | 1,050 | 1,066 | 2,116 |
| Earl Richard | 15 | <u>1,275</u> | <u>1,131</u> | <u>2,256</u> |
| TOTALS | | \$ <u>7,650</u> | \$ <u>7,494</u> | \$ <u>15,144</u> |

The Board holds regular two-day meetings each quarter, and one-day Investment Committee meetings during the months those regular meetings are not held.

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF U.S. GOVERNMENT AND AGENCY OBLIGATIONS
JUNE 30, 2006

| <u>U.S. Government Obligations</u> | <u>Interest Rate</u> | <u>Due Date</u> | <u>Par Value</u> | <u>Fair Value</u> |
|--|--------------------------|-----------------|-----------------------------|-----------------------------|
| Freddie Mac | 5.125 % | 4/18/2011 | \$ 6,230,000 | \$ 6,132,743 |
| U S Treasury Bond | 7.250 | 8/15/2022 | 4,960,000 | 5,984,161 |
| U S Treasury Note | 5.375 | 2/15/2031 | 3,100,000 | 3,153,525 |
| U S Treasury Bond | 4.500 | 2/15/2036 | 3,625,000 | 3,250,324 |
| U S Treasury Note | 3.000 | 2/15/2008 | 3,985,000 | 3,850,351 |
| U S Treasury Note | 3.375 | 11/15/2008 | 2,665,000 | 2,560,274 |
| U S Treasury Note | 4.250 | 8/15/2015 | 285,000 | 266,664 |
| U S Treasury Note | 4.875 | 4/30/2011 | 8,585,000 | 8,497,476 |
| U S Treasury Note | 5.125 | 5/15/2016 | 3,330,000 | 3,326,097 |
| U S Treasury Note | 4.875 | 5/31/2008 | 20,020,000 | 19,908,168 |
| U S Treasury Note | 4.875 | 5/31/2011 | 18,090,000 | 17,906,278 |
| TOTAL U.S. GOVERNMENT OBLIGATIONS | | | \$ <u>74,875,000</u> | \$ <u>74,836,061</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2006

| | Interest Rate | Due Date | Par Value | Cost | Fair Value |
|---------------------------------------|------------------|------------|------------|------------|------------|
| CORPORATE BONDS: | | | | | |
| AOL Time Warner Inc | 7.625 % | 4/15/2031 | \$ 700,000 | \$ 806,545 | \$ 753,708 |
| AT&T Wireless Group | 8.125 | 5/1/2012 | 400,000 | 470,456 | 440,174 |
| Abbot Labs | 5.875 | 5/15/2016 | 500,000 | 496,895 | 495,717 |
| Ace Ina Holdings / 000B14Vkk5 | 6.700 | 5/15/2036 | 775,000 | 770,257 | 743,177 |
| Alcan Inc | 6.125 | 12/15/2033 | 500,000 | 534,960 | 473,066 |
| Alcoa Inc | 6.500 | 6/1/2011 | 800,000 | 895,994 | 823,888 |
| Allstate Corp | 6.125 | 2/15/2012 | 4,000,000 | 4,159,240 | 4,065,876 |
| Altria Group Inc | 7.000 | 11/4/2013 | 2,000,000 | 2,206,680 | 2,110,000 |
| Altria Group Inc | 5.625 | 11/4/2008 | 2,000,000 | 2,122,780 | 1,993,376 |
| Amerada Hess Corp | 6.650 | 8/15/2011 | 2,000,000 | 2,186,560 | 2,055,536 |
| American General Finance | 3.875 | 10/1/2009 | 500,000 | 496,040 | 472,867 |
| Assured Guaranty Us Hldg | 7.000 | 6/1/2034 | 580,000 | 681,645 | 597,319 |
| Bank Of America Corp | 4.875 | 1/15/2013 | 5,000,000 | 5,024,100 | 4,758,015 |
| Bank Of America Corp | 4.375 | 12/1/2010 | 750,000 | 745,500 | 712,598 |
| Bard C R Inc | 6.700 | 12/1/2026 | 4,500,000 | 4,537,260 | 4,666,995 |
| Bellsouth Telecommunication | 6.375 | 6/1/2028 | 500,000 | 546,460 | 468,440 |
| Boeing Capital Corp | 6.100 | 3/1/2011 | 2,500,000 | 2,609,550 | 2,539,450 |
| Boeing Co | 7.950 | 8/15/2024 | 3,300,000 | 3,300,000 | 3,993,228 |
| Burlington North Santa Fe | 6.125 | 3/15/2009 | 3,000,000 | 3,276,900 | 3,032,520 |
| Cit Group Inc | 4.750 | 12/15/2010 | 5,000,000 | 5,036,100 | 4,796,860 |
| Carolina Power & Light | 5.125 | 9/15/2013 | 3,000,000 | 3,046,650 | 2,861,853 |
| Carramerica Realty Corp | 3.625 | 4/1/2009 | 725,000 | 688,714 | 725,814 |
| Chesapeake Energy Corp | 7.500 | 9/15/2013 | 2,000,000 | 2,188,750 | 2,005,000 |
| Coca-Cola Enterprises | 6.950 | 11/15/2026 | 750,000 | 934,350 | 804,513 |
| Comcast Cable Communication | 8.875 | 5/1/2017 | 1,350,000 | 1,758,125 | 1,572,186 |
| Conagra Inc | 6.750 | 9/15/2011 | 4,000,000 | 4,588,800 | 4,123,072 |
| Conocophillips | 4.750 | 10/15/2012 | 3,000,000 | 3,081,000 | 2,853,300 |
| Cox Communications | 7.750 | 11/1/2010 | 2,000,000 | 2,377,860 | 2,117,964 |
| Daimlerchrysler / 0002711902 | 8.500 | 1/18/2031 | 575,000 | 672,767 | 651,059 |
| Dean Foods Co / 000B153Y19 | 7.000 | 6/1/2016 | 600,000 | 597,624 | 580,500 |
| Deere & Co | 6.950 | 4/25/2014 | 5,000,000 | 5,617,400 | 5,325,105 |
| Denbury Resource | 7.500 | 4/1/2013 | 2,000,000 | 2,121,475 | 2,000,000 |
| Dime Capital Trust 1 | 9.330 | 5/6/2027 | 1,085,000 | 1,282,904 | 1,161,189 |
| Dominion Resources Inc / 000B0Bsgx7 | 5.950 | 6/15/2035 | 430,000 | 392,870 | 385,528 |
| Dow Chemical | 6.000 | 10/1/2012 | 5,000,000 | 5,220,550 | 5,036,855 |
| Duke Realty Lp | 3.350 | 1/15/2008 | 600,000 | 592,320 | 579,337 |
| Energy Transfer Partners / 000B0LfpH5 | 5.950 | 2/1/2015 | 965,000 | 934,660 | 929,266 |
| Enterprise Products Oper | 4.950 | 6/1/2010 | 1,420,000 | 1,382,143 | 1,361,033 |
| Fedex Corp | 7.250 | 2/15/2011 | 3,000,000 | 3,394,990 | 3,162,321 |
| Firstenergy Corp | 6.450 | 11/15/2011 | 1,780,000 | 1,853,763 | 1,811,189 |
| Ford Motor Credit Co | 5.625 | 10/1/2008 | 1,000,000 | 999,930 | 925,060 |
| GSC Holdings Corp / 000B1809W3 | 8.865 | 10/1/2011 | 500,000 | 500,000 | 513,750 |
| GATX Financial Corp | 6.000 | 11/19/2008 | 1,165,000 | 1,227,619 | 1,163,008 |
| GATX Financial Corp | 5.125 | 4/15/2010 | 1,020,000 | 1,018,980 | 987,319 |
| General Electric Capital Corp | 6.000 | 6/15/2012 | 4,000,000 | 4,034,720 | 4,045,948 |
| Goldman Sachs Group Inc | 7.350 | 10/1/2009 | 1,000,000 | 1,221,330 | 1,047,812 |
| Goldman Sachs Group Inc / 000B12V461 | 6.450 | 5/1/2036 | 1,695,000 | 1,621,827 | 1,623,844 |
| Gulfmark Offshore Inc | 7.750 | 7/15/2014 | 520,000 | 546,000 | 507,000 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2006

| | <u>Interest Rate</u> | <u>Due Date</u> | <u>Par Value</u> | <u>Cost</u> | <u>Fair Value</u> |
|------------------------------------|--------------------------|-----------------|--------------------|--------------------|--------------------|
| CORPORATE BONDS: (Continued) | | | | | |
| HSBC Finance Corp | 5.700 | 6/1/2011 | 700,000 | 699,307 | 695,440 |
| Halliburton Company | 8.750 | 2/15/2021 | 615,000 | 812,730 | 754,107 |
| Halliburton Company | 5.500 | 10/15/2010 | 4,000,000 | 4,086,980 | 3,962,184 |
| Harrah Operating Co Inc | 5.500 | 7/1/2010 | 1,785,000 | 1,779,092 | 1,741,442 |
| Household Finance Corp | 4.750 | 5/15/2009 | 5,000,000 | 5,009,950 | 4,882,100 |
| Intelsat Sub Hld Co Ltd | 9.614 | 1/15/2012 | 475,000 | 484,500 | 479,750 |
| IBM Corp | 4.750 | 11/29/2012 | 4,000,000 | 4,037,500 | 3,790,572 |
| JPM Capital Trust I | 7.540 | 1/15/2027 | 1,225,000 | 1,343,262 | 1,273,069 |
| Kerr-Mcgee Corp | 6.875 | 9/15/2011 | 2,000,000 | 2,274,040 | 2,066,954 |
| Kinder Morgan / 000B06Hvj0 | 5.800 | 3/15/2035 | 255,000 | 226,932 | 217,604 |
| Kraft Foods Inc | 6.250 | 6/1/2012 | 3,000,000 | 3,235,020 | 3,035,007 |
| Marathon Oil Corp | 6.125 | 3/15/2012 | 5,000,000 | 4,839,950 | 5,045,295 |
| Marsh & McLennan Cos Inc | 4.850 | 2/15/2013 | 5,000,000 | 5,077,170 | 4,586,660 |
| May Department Stores / 000B05Hjq4 | 6.700 | 7/15/2034 | 750,000 | 746,895 | 732,396 |
| Meritage Homes Corp | 6.250 | 3/15/2015 | 350,000 | 351,750 | 294,875 |
| Metlife Inc | 5.000 | 6/15/2015 | 700,000 | 651,504 | 647,541 |
| Morgan Stanley | 3.875 | 1/15/2009 | 600,000 | 598,242 | 575,652 |
| National City Bank | 4.500 | 3/15/2010 | 1,000,000 | 1,000,000 | 958,975 |
| New Jersey Bell Telephone | 7.850 | 11/15/2029 | 1,000,000 | 1,319,960 | 1,038,275 |
| New America Inc / 000B07G550 | 6.200 | 12/15/2034 | 780,000 | 722,475 | 707,843 |
| Odyssey Re Holdings | 7.650 | 11/1/2013 | 785,000 | 888,337 | 754,236 |
| Peabody Energy Corp | 6.875 | 3/15/2013 | 2,000,000 | 2,138,750 | 1,965,000 |
| Phillips Van-Heusen | 7.750 | 11/15/2023 | 340,000 | 343,825 | 339,150 |
| Progressive Corp | 7.000 | 10/1/2013 | 2,200,000 | 2,616,856 | 2,326,412 |
| Residential Capital Corp | 6.489 | 11/21/2008 | 1,605,000 | 1,604,179 | 1,611,404 |
| Southern Peru / 000B0W5M84 | 7.500 | 7/27/2035 | 340,000 | 336,212 | 324,608 |
| Southwestern Public Service | 5.125 | 11/1/2006 | 800,000 | 834,136 | 798,214 |
| Sprint Capital Corporation | 6.875 | 11/15/2028 | 750,000 | 782,004 | 755,555 |
| Sprint Capital Corporation | 8.750 | 3/15/2032 | 680,000 | 935,320 | 820,013 |
| Stingray Pass-Th | 5.902 | 1/12/2015 | 800,000 | 799,152 | 749,112 |
| Suntrust Banks Inc | 4.250 | 10/15/2009 | 1,000,000 | 995,780 | 956,498 |
| Target Corp | 4.000 | 6/15/2013 | 5,000,000 | 4,748,900 | 4,526,365 |
| Telecom Italia Capital | 4.950 | 9/30/2014 | 1,520,000 | 1,435,670 | 1,360,791 |
| Telecom Italia Capital | 4.480 | 2/1/2011 | 510,000 | 510,000 | 512,707 |
| Teva Pharm Finance Llc | 6.150 | 2/1/2036 | 1,130,000 | 1,129,842 | 1,014,648 |
| Tyco Intl Group | 6.125 | 1/15/2009 | 3,000,000 | 3,191,500 | 3,020,190 |
| UBS Pfd Funding / 000B14Yxb6 | 6.243 | 5/29/2049 | 1,630,000 | 1,630,000 | 1,605,832 |
| Ultrapetrol (Bahamas) Ltd | 9.000 | 11/24/2014 | 740,000 | 743,238 | 667,850 |
| Unitedhealth Group | 5.375 | 3/15/2016 | 650,000 | 618,833 | 614,912 |
| Vale Overseas Limited / 0002317935 | 8.250 | 1/17/2034 | 915,000 | 1,020,225 | 987,056 |
| Valero Energy Corp | 7.500 | 4/15/2032 | 4,000,000 | 4,399,080 | 4,342,828 |
| Virginia Electric Power | 6.000 | 1/15/2036 | 500,000 | 498,960 | 457,061 |
| Wachovia Bank Na | 4.850 | 7/30/2007 | 3,000,000 | 3,209,670 | 2,974,305 |
| Washington Mutual Inc | 5.000 | 3/22/2012 | 1,000,000 | 995,160 | 950,636 |
| Weyerhaeuser Company | 7.500 | 3/1/2013 | 5,000,000 | 5,524,890 | 5,253,975 |
| Weyerhaeuser Company | 7.375 | 3/15/2032 | 500,000 | 584,075 | 506,210 |
| Williams Companies Inc | 7.125 | 9/1/2011 | 2,000,000 | 2,132,250 | 2,000,000 |
| TOTAL CORPORATE BONDS | | | <u>170,115,000</u> | <u>178,746,146</u> | <u>170,534,944</u> |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2006

| | <u>Interest Rate</u> | <u>Due Date</u> | <u>Par Value</u> | <u>Cost</u> | <u>Fair Value</u> |
|--|--------------------------|-----------------|------------------|-------------|-------------------|
| OTHER NON-UNITED STATES FIXED INCOME: | | | | | |
| United Mexican States | 5.625 | 1/15/2017 | 890,000 | 835,710 | 827,700 |
| Shinhan Bank | 5.663 | 3/2/2035 | 760,000 | 750,629 | 691,676 |
| TOTAL OTHER NON-UNITED STATES FIXED INCOME | | | 1,650,000 | 1,586,339 | 1,519,376 |
| FOREIGN GOVERNMENT BONDS: | | | | | |
| United Kingdom Tsy 4 2016 | 4.000 | 9/7/2016 | 500,000 | 854,304 | 872,852 |
| PRIVATE PLACEMENT/144-A: | | | | | |
| American International Group | 5.050 | 10/1/2015 | 1,100,000 | 1,096,326 | 1,026,196 |
| CNOOC Finance 2003 Ltd | 5.500 | 5/21/2033 | 335,000 | 326,267 | 287,062 |
| Cadbury Schwepps | 5.125 | 10/1/2013 | 545,000 | 555,077 | 511,951 |
| Chinatrust Comm Bank | 5.625 | 3/17/2015 | 985,000 | 988,773 | 900,379 |
| Chukchandsi Eco Dev | 8.780 | 11/15/2012 | 450,000 | 462,375 | 459,000 |
| Goodrich (Bf) Co / 000B17N3G5 | 6.290 | 7/1/2016 | 545,000 | 542,787 | 541,779 |
| Icici Bank Ltd Singapore | 5.750 | 11/16/2010 | 1,405,000 | 1,398,987 | 1,360,759 |
| Kazkommerts Intl / 048666Qaa4 | 8.000 | 11/3/2015 | 300,000 | 294,960 | 291,000 |
| Knowledge Learning Ctr | 7.750 | 2/1/2015 | 750,000 | 737,006 | 686,250 |
| Pemex Proj Fdg Master | 5.750 | 12/15/2015 | 580,000 | 573,556 | 534,180 |
| Ras Laffan Lng li | 5.298 | 9/30/2020 | 4,140,000 | 4,140,000 | 3,857,652 |
| Twin Reefs Pass-Through | 3.420 | 12/10/2049 | 1,300,000 | 1,300,000 | 1,299,966 |
| Viacom Inc / 000B12Jk90 | 6.250 | 4/30/2016 | 580,000 | 573,550 | 563,034 |
| TOTAL PRIVATE PLACEMENT/144-A | | | 13,015,000 | 12,989,664 | 12,319,208 |
| YANKEE BONDS: | | | | | |
| Montprier Re Holdings / 0002393258 | 6.125 | 8/15/2013 | 2,030,000 | 1,945,862 | 1,883,942 |
| Nexen Inc / 000B06Hbh8 | 5.875 | 3/10/2035 | 575,000 | 520,260 | 507,623 |
| Royal Caribbean Cruises | 7.500 | 10/15/2027 | 620,000 | 697,500 | 594,599 |
| TOTAL YANKEE BONDS | | | 3,225,000 | 3,163,622 | 2,986,164 |
| COLLATERALIZED MORTGAGE OBLIGATIONS: | | | | | |
| American Home Mortgage Investment | 5.408 | 9/25/2035 | 545,000 | 520,177 | 507,090 |
| Banc Of America Mortgage Securities | 4.805 | 5/25/2035 | 840,000 | 835,488 | 803,570 |
| Banc Of Amer Mortgage Sec | 4.729 | 6/25/2035 | 1,050,000 | 1,047,785 | 1,003,765 |
| Countrywide Alternative Loan Trust | 5.500 | 1/25/2036 | 9,260,861 | 9,272,437 | 9,144,545 |
| Citigroup Nortgage Loan Trust, Inc. | 7.000 | 9/25/2033 | 1,955,207 | 2,034,022 | 1,984,816 |
| Citigroup Mortgage Loan Trust Inc | 6.500 | 10/25/2033 | 1,922,072 | 1,979,133 | 1,917,267 |
| Citigroup Mortgage Loan Trust, Inc | 6.500 | 4/25/2035 | 1,823,542 | 1,867,991 | 1,836,763 |
| Citigroup Commercial Mortgage Trust | 5.721 | 3/15/2049 | 1,045,000 | 1,036,329 | 1,036,069 |
| Deutsche Alt-A Securities Inc Mortgage | 5.250 | 6/25/2035 | 1,170,000 | 1,158,759 | 1,142,324 |
| FHLMC - FHR 2356 GD | 6.000 | 9/15/2016 | 752,587 | 781,279 | 756,731 |
| FNMA - FNR G92-53 J | 7.000 | 9/25/2022 | 335,919 | 320,672 | 345,479 |
| FNMA - FNR 2002-12 PG | 6.000 | 3/25/2017 | 1,082,568 | 1,095,086 | 1,087,610 |
| FNMA - FNW 2003-W2 2A9 | 5.900 | 7/25/2042 | 928,520 | 926,452 | 921,546 |
| FNMA - FNW 2003-W19 1A5 | 5.500 | 11/25/2033 | 2,196,726 | 2,291,803 | 2,178,684 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2006

| | <u>Interest Rate</u> | <u>Due Date</u> | <u>Par Value</u> | <u>Cost</u> | <u>Fair Value</u> |
|--|--------------------------|-----------------|-------------------|-------------------|-------------------|
| COLLATERALIZED MORTGAGE OBLIGATIONS: | | | | | |
| (Continued) | | | | | |
| FNMA - FNR 2004-26 PA | 4.500 | 9/25/2025 | 853,794 | 857,963 | 832,463 |
| FNMA - FNR 2004-35 AJ | 4.500 | 1/25/2020 | 3,894,166 | 3,948,319 | 3,831,260 |
| FNMA - FNR 2004-33 MW | 4.500 | 1/25/2030 | 1,025,000 | 981,277 | 948,923 |
| FNMA - FNW 2004-W10 A24 | 5.000 | 8/25/2034 | 530,000 | 517,143 | 516,532 |
| FNMA - FNR 2005-19 PA | 5.500 | 7/25/2034 | 781,541 | 780,076 | 770,476 |
| FNMA - FNR 2005-20 QE | 5.000 | 10/25/2030 | 1,055,000 | 1,001,920 | 1,006,105 |
| FHLMC - FHR 2695 BG | 4.500 | 4/15/2032 | 1,065,000 | 1,000,518 | 975,534 |
| FHLMC - FHR 2773 EB | 4.500 | 8/15/2013 | 1,025,000 | 1,045,660 | 1,005,238 |
| FHLMC - FHR 2859 PD | 5.500 | 4/15/2030 | 840,000 | 864,281 | 820,827 |
| FNMA - FNR 2006-63 QG | 5.500 | 12/25/2034 | 1,045,000 | 993,526 | 993,287 |
| FHLMC - FHR 2966 NC | 5.000 | 4/15/2031 | 1,070,000 | 1,039,070 | 1,019,838 |
| FHLMC - FHR 3015 EM | 5.000 | 10/15/2033 | 695,000 | 661,770 | 643,269 |
| FHLMC - FHR 3079 MD | 5.000 | 3/15/2034 | 855,000 | 824,240 | 791,001 |
| FHLMC - FHR 3072 NK | 5.000 | 5/15/2031 | 799,334 | 775,042 | 778,375 |
| FHLMC - FHR 3082 PJ | 5.000 | 9/15/2034 | 1,170,000 | 1,111,866 | 1,081,203 |
| FHLMC - FHR 3098 PE | 5.000 | 6/15/2034 | 1,065,000 | 1,015,910 | 984,225 |
| FHLMC - FHR 3096 LD | 5.000 | 1/15/2034 | 1,175,000 | 1,115,286 | 1,085,722 |
| FHLMC - FHR 3102 PJ | 5.000 | 5/15/2034 | 850,000 | 821,578 | 785,503 |
| FHLMC - FHR 3137 DA | 5.000 | 2/15/2020 | 1,024,657 | 992,756 | 1,001,220 |
| FHLMC - FHR 3153 JD | 5.500 | 6/15/2033 | 950,000 | 894,299 | 905,517 |
| GS Mortgage Securities Corporation Ii | 2.904 | 1/10/2040 | 685,111 | 678,558 | 666,275 |
| LB-UBS Commercial Mortgage Trust | 4.394 | 3/15/2032 | 1,010,000 | 989,150 | 933,101 |
| Mastr Alternative Nim | 7.500 | 12/25/2035 | 557,169 | 553,686 | 565,203 |
| Mastr Alternative Nim | 6.750 | 12/26/2035 | 609,408 | 602,457 | 609,171 |
| Morgan Stanley Dean Witter Capital I | 5.980 | 1/15/2039 | 3,180,000 | 3,195,585 | 3,201,087 |
| Morgan Stanley Mortgage Loan Trust | 5.500 | 2/25/2036 | 535,000 | 533,412 | 521,049 |
| Residential Accredited Loans Inc | 6.250 | 3/25/2014 | 504,690 | 474,408 | 502,526 |
| Salomon Brothers Mortgage Securities | 6.520 | 12/25/2030 | 132,123 | 135,426 | 131,636 |
| Structured Asset Investment Loan Trust | 4.840 | 10/25/2033 | 992,000 | 1,016,800 | 1,005,323 |
| Wells Fargo Mortgage Backed | 3.542 | 9/25/2034 | 1,005,000 | 961,031 | 955,891 |
| Wells Fargo Mortgage Backed Sec | 5.623 | 5/25/2036 | 735,000 | 728,684 | 731,391 |
| TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS | | | 56,621,995 | 56,279,110 | 55,265,430 |
| FEDERAL HOME LOAN MORTGAGE CORPORATION: | | | | | |
| FHLMC G01740 | 5.500 | 12/1/2034 | 7,005,097 | 7,035,744 | 6,746,090 |
| FHLMC G01781 | 6.500 | 12/1/2034 | 2,447,869 | 2,510,596 | 2,467,991 |
| FHLMC GOLD G01433 | 6.500 | 7/1/2032 | 2,232,729 | 2,334,598 | 2,253,717 |
| FHLMC GOLD C78238 | 5.500 | 4/1/2033 | 6,010,277 | 6,220,637 | 5,798,283 |
| FHLMC GOLD D88187 | 7.000 | 4/15/2028 | 373,333 | 377,708 | 382,835 |
| FHLMC GOLD D88413 | 7.000 | 4/15/2028 | 60,220 | 60,925 | 61,732 |
| FHLMC GOLD E73765 | 6.000 | 12/15/2013 | 513,840 | 515,928 | 514,241 |
| FHLMC GOLD W10004 | 6.900 | 12/1/2010 | 1,215,000 | 1,373,567 | 1,262,725 |
| FHLMC GOLD A40536 | 5.000 | 12/1/2035 | 884,332 | 844,952 | 826,521 |
| FHLMC GOLD A40686 | 5.000 | 12/1/2035 | 150,329 | 143,635 | 140,502 |
| FHLMC A41332 | 6.500 | 1/1/2036 | 1,313,703 | 1,344,082 | 1,321,677 |
| FHLMC A41366 | 6.500 | 1/1/2036 | 1,755,274 | 1,806,835 | 1,765,929 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2006

| | <u>Interest Rate</u> | <u>Due Date</u> | <u>Par Value</u> | <u>Cost</u> | <u>Fair Value</u> |
|--|--------------------------|-----------------|------------------|-------------|-------------------|
| FEDERAL HOME LOAN MORTGAGE CORPORATION: | | | | | |
| (Continued) | | | | | |
| FHLMC GOLD A45496 | 5.500 | 6/1/2035 | 2,743,839 | 2,785,425 | 2,637,159 |
| FHLMC G01829 | 6.000 | 3/1/2035 | 881,745 | 902,962 | 869,912 |
| FHLMC G02090 | 6.500 | 2/1/2036 | 2,085,151 | 2,129,135 | 2,098,267 |
| FHLMC G02196 | 6.500 | 5/1/2036 | 1,959,162 | 1,984,876 | 1,970,859 |
| FHLMC GOLD G08003 | 6.000 | 7/1/2034 | 2,508,163 | 2,590,854 | 2,474,503 |
| FGLMC GOLD G08006 | 6.000 | 8/1/2034 | 1,479,722 | 1,531,975 | 1,459,866 |
| FHLMC GOLD G08070 | 6.500 | 7/1/2035 | 1,398,491 | 1,441,320 | 1,406,986 |
| FHLMC GOLD G08079 | 5.000 | 9/1/2035 | 1,093,609 | 1,045,892 | 1,022,116 |
| FHLMC IQ0020 | 5.344 | 12/1/2035 | 678,886 | 679,045 | 660,990 |
| FHLMC GOLD C00844 | 7.000 | 8/15/2029 | 202,476 | 204,754 | 207,392 |
| FHLMC GOLD C00690 | 6.000 | 12/1/2028 | 786,184 | 787,658 | 777,759 |
| FHLMC GOLD C01798 | 6.000 | 3/1/2034 | 1,137,679 | 1,187,275 | 1,122,412 |
| FHLMC GOLD C01410 | 6.000 | 10/1/2032 | 2,023,307 | 2,076,102 | 1,999,593 |
| FHLMC C01598 | 5.000 | 8/1/2033 | 7,137,826 | 7,063,102 | 6,698,136 |
| FHLMC GOLD C01583 | 6.000 | 6/1/2033 | 1,916,607 | 1,984,886 | 1,892,822 |
| FHLMC C01585 | 5.000 | 7/1/2033 | 7,596,315 | 7,516,792 | 7,128,398 |
| FHLMC GOLD C01848 | 6.000 | 6/1/2034 | 3,480,608 | 3,574,319 | 3,433,899 |
| FHLMC GOLD C20133 | 7.000 | 1/15/2029 | 63,125 | 63,865 | 64,710 |
| FHLMC B13067 | 4.500 | 3/1/2019 | 148,925 | 147,517 | 140,776 |
| FHLMC B16444 | 5.500 | 9/1/2019 | 1,693,633 | 1,720,361 | 1,662,792 |
| FHLMC A34083 | 6.000 | 2/1/2035 | 1,766,518 | 1,815,373 | 1,742,811 |
| FHLMC G11897 | 4.500 | 10/1/2020 | 1,032,917 | 986,436 | 975,189 |
| FHLMC G11880 | 5.000 | 12/1/2020 | 896,261 | 858,030 | 862,907 |
| TOTAL FEDERAL HOME LOAN MORTGAGE CORPORATION | | | 68,673,152 | 69,647,161 | 66,852,497 |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION: | | | | | |
| FNMA 250200 | 9.000 | 1/1/2025 | 12,786 | 12,868 | 13,880 |
| FNMA 251901 | 6.500 | 8/1/2013 | 186,650 | 187,933 | 189,214 |
| FNMA 254478 | 6.000 | 10/1/2032 | 1,002,480 | 1,034,591 | 990,400 |
| FNMA 255311 | 6.000 | 7/1/2034 | 3,187,252 | 3,272,909 | 3,143,363 |
| FNMA 299371 | 9.000 | 12/1/2024 | 17,560 | 17,672 | 19,062 |
| FNMA 303890 | 7.000 | 5/1/2026 | 319,378 | 313,190 | 327,519 |
| FNMA 303945 | 7.000 | 12/1/2010 | 185,009 | 183,737 | 186,753 |
| FNMA 313595 | 7.185 | 5/1/2007 | 293,654 | 328,582 | 293,616 |
| FNMA 380715 | 6.265 | 10/1/2008 | 1,122,526 | 1,178,301 | 1,128,124 |
| FNMA 383159 | 6.250 | 2/1/2011 | 2,500,000 | 2,913,184 | 2,559,855 |
| FNMA 383632 | 6.305 | 5/1/2011 | 1,182,571 | 1,367,487 | 1,204,424 |
| FNMA 384781 | 5.950 | 3/1/2012 | 1,250,551 | 1,415,077 | 1,259,330 |
| FNMA 408933 | 6.500 | 7/1/2013 | 71,754 | 72,247 | 72,740 |
| FNMA 433213 | 6.500 | 7/1/2013 | 62,351 | 62,779 | 63,207 |
| FNMA 434075 | 6.500 | 7/1/2013 | 121,193 | 122,026 | 122,857 |
| FNMA 449149 | 6.000 | 12/1/2028 | 403,853 | 375,962 | 399,463 |
| FNMA 481539 | 6.000 | 1/1/2029 | 297,553 | 277,004 | 294,319 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2006

| | <u>Interest Rate</u> | <u>Due Date</u> | <u>Par Value</u> | <u>Cost</u> | <u>Fair Value</u> |
|---|--------------------------|-----------------|-------------------|-------------------|-------------------|
| FEDERAL NATIONAL MORTGAGE ASSOCIATION: | | | | | |
| (Continued) | | | | | |
| FNMA 535126 | 6.000 | 12/1/2028 | 699,004 | 635,985 | 691,405 |
| FNMA 535838 | 6.500 | 4/1/2031 | 305,312 | 311,895 | 308,194 |
| FNMA 545259 | 7.500 | 12/1/2029 | 661,359 | 685,850 | 686,291 |
| FNMA 555148 | 4.964 | 1/1/2013 | 1,411,878 | 1,371,728 | 1,361,488 |
| FNMA 555592 | 5.500 | 7/1/2033 | 10,626,272 | 10,483,482 | 10,251,165 |
| FNMA 555783 | 4.500 | 10/1/2033 | 3,439,249 | 3,175,932 | 3,133,844 |
| FNMA 555872 | 5.000 | 11/1/2018 | - | - | - |
| FNMA 596449 | 6.500 | 6/1/2031 | 468,053 | 478,438 | 472,322 |
| FNMA 602064 | 7.000 | 9/1/2031 | 310,525 | 317,123 | 318,167 |
| FNMA 613152 | 6.500 | 11/1/2031 | 426,630 | 426,830 | 430,521 |
| FNMA 628038 | 6.500 | 2/1/2032 | 692,074 | 702,671 | 698,185 |
| FNMA 631381 | 6.500 | 3/1/2032 | 543,272 | 550,657 | 548,227 |
| FNMA 631382 | 7.000 | 3/1/2032 | 418,384 | 428,582 | 428,613 |
| FNMA 660229 | 6.000 | 9/1/2032 | 2,655,194 | 2,719,292 | 2,623,199 |
| FNMA 688360 | 6.000 | 3/1/2033 | 1,508,217 | 1,550,636 | 1,490,043 |
| FNMA 689634 | 6.000 | 2/1/2033 | 1,332,907 | 1,384,349 | 1,316,846 |
| FNMA 704101 | 5.500 | 5/1/2033 | 2,404,469 | 2,435,276 | 2,319,591 |
| FNMA 708633 | 6.000 | 6/1/2033 | 1,716,093 | 1,771,062 | 1,694,316 |
| FNMA 725372 | 7.534 | 12/1/2010 | 930,700 | 1,115,770 | 979,060 |
| FNMA 725690 | 6.000 | 8/1/2034 | 1,305,279 | 1,338,727 | 1,287,300 |
| FNMA 735224 | 5.500 | 2/1/2035 | 823,479 | 834,030 | 794,410 |
| FNMA 735502 | 6.000 | 4/1/2035 | 3,208,119 | 3,273,284 | 3,163,931 |
| FNMA 745592 | 5.000 | 1/1/2021 | 977,826 | 947,880 | 943,852 |
| FNMA 790353 | 5.500 | 7/1/2034 | 2,379,098 | 2,389,878 | 2,291,190 |
| FNMA 836133 | 5.375 | 9/1/2035 | 886,356 | 892,692 | 860,230 |
| FNMA 852435 | 5.515 | 2/1/2036 | 829,055 | 829,250 | 819,455 |
| FNMA 891475 | 6.500 | 4/1/2036 | 2,475,581 | 2,510,007 | 2,488,801 |
| TOTAL FEDERAL NATIONAL MORTGAGE ASSOCIATION | | | <u>55,651,506</u> | <u>56,696,855</u> | <u>54,668,772</u> |
| GOVERNMENT NATIONAL MORTGAGE ASSOCIATION: | | | | | |
| GNMA 574582 | 6.000 | 9/15/2034 | 2,662,352 | 2,766,353 | 2,643,931 |
| GNMA 371693 | 7.000 | 3/15/2024 | 305,051 | 313,297 | 314,764 |
| GNMA 408175 | 7.000 | 12/15/2025 | 26,716 | 26,820 | 27,578 |
| GNMA 408844 | 7.000 | 11/15/2025 | 47,465 | 47,651 | 48,997 |
| GNMA 423825 | 8.000 | 6/15/2026 | 60,649 | 61,180 | 64,413 |
| GNMA 426366 | 7.000 | 1/15/2026 | 43,407 | 43,577 | 44,824 |
| GNMA 426408 | 7.000 | 2/15/2026 | 43,040 | 43,208 | 44,445 |
| GNMA 429363 | 6.500 | 3/15/2026 | 342,084 | 346,253 | 347,239 |
| GNMA 460758 | 7.000 | 2/15/2028 | 87,723 | 89,025 | 90,506 |
| GNMA 462543 | 7.000 | 2/15/2028 | 122,103 | 123,915 | 125,976 |
| GNMA 462554 | 7.000 | 2/15/2028 | 64,373 | 65,329 | 66,415 |
| GNMA 465526 | 6.500 | 5/15/2028 | 289,965 | 288,062 | 294,448 |
| GNMA 486877 | 6.000 | 1/15/2029 | 2,363,932 | 2,342,509 | 2,350,789 |
| GNMA 196068 | 8.000 | 4/15/2017 | 31,822 | 29,974 | 33,474 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2006

| | <u>Interest Rate</u> | <u>Due Date</u> | <u>Par Value</u> | <u>Cost</u> | <u>Fair Value</u> |
|--|--------------------------|-----------------|------------------|-------------|-------------------|
| GOVERNMENT NATIONAL MORTGAGE ASSOCIATION: | | | | | |
| (Continued) | | | | | |
| GNMA 201202 | 9.000 | 1/15/2017 | 474 | 471 | 481 |
| GNMA 238006 | 8.000 | 2/15/2018 | 56,486 | 53,272 | 59,518 |
| GNMA 231923 | 8.000 | 7/15/2017 | 6,897 | 6,493 | 7,255 |
| GNMA 293329 | 9.500 | 8/15/2020 | 3,857 | 3,853 | 4,223 |
| GNMA 288373 | 9.000 | 5/15/2020 | 4,928 | 4,912 | 5,306 |
| GNMA 306559 | 8.500 | 1/15/2022 | 47,843 | 47,379 | 51,548 |
| GNMA 319273 | 8.500 | 11/15/2021 | 187,477 | 185,690 | 201,720 |
| GNMA 780601 | 7.000 | 7/15/2027 | 101,271 | 102,774 | 104,610 |
| GNMA 781288 | 6.500 | 5/15/2031 | 463,043 | 471,073 | 469,590 |
| GNMA 80312 | 3.500 | 8/20/2029 | 258,377 | 264,029 | 258,135 |
| GNMA 619090 | 5.500 | 9/15/2034 | 1,296,823 | 1,323,975 | 1,258,087 |
| TOTAL GOVERNMENT NATIONAL MORTGAGE ASSOCIATION | | | 8,918,158 | 9,051,074 | 8,918,272 |
| OTHER ASSET BACKED SECURITIES: | | | | | |
| Asset Backed Funding Certificates | 6.770 | 12/25/2033 | 685,000 | 685,000 | 696,009 |
| Banc Of America Commercial Mortgage | 4.811 | 12/10/2042 | 1,045,000 | 997,159 | 972,149 |
| Banc Of America Commercial Mortgage Inc | 5.304 | 6/10/2039 | 1,205,000 | 1,222,322 | 1,171,836 |
| Bear Stearns Commercial Mtge Securities | 4.933 | 2/13/2042 | 470,000 | 472,583 | 439,508 |
| Bear Stearns Commercial Mtge Securities | 5.468 | 6/11/2041 | 1,150,000 | 1,206,377 | 1,117,784 |
| Bear Stearns Commercial Mortgage Sec | 4.715 | 2/11/2041 | 5,580,000 | 5,441,590 | 5,193,066 |
| Commercial Mortgage Pass-Through | 4.982 | 5/10/2043 | 1,060,000 | 1,014,619 | 994,900 |
| Home Equity Asset Trust | 6.430 | 6/25/2033 | 115,960 | 119,438 | 116,694 |
| CS First Boston Mortgage Securities | 3.936 | 5/15/2038 | 1,485,000 | 1,346,361 | 1,329,516 |
| GMAC Mortgage Secutities | 5.301 | 8/10/2038 | 945,000 | 981,951 | 908,392 |
| GMAC Mortgage Corporation Loan Trust | 3.870 | 5/25/2025 | 497,622 | 493,889 | 493,411 |
| JP Morgan Chase Commercial Mortgage Sec | 4.404 | 1/12/2039 | 1,160,000 | 1,062,895 | 1,053,663 |
| JP Morgan Chase Commercial Mortgage | 5.814 | 6/12/2043 | 890,000 | 894,389 | 883,352 |
| LB-UBS Commercial Mortgage Trust | 4.931 | 9/15/2035 | 665,000 | 664,039 | 631,196 |
| Master Abs Nim Trust | 5.191 | 9/26/2034 | 34,570 | 34,555 | 34,175 |
| Mastr Asset Backed Securities Trust | 5.646 | 10/25/2032 | 1,000,000 | 999,941 | 973,294 |
| Credit-Based Asset Servicing And Sec | 4.062 | 7/25/2035 | 531,427 | 527,068 | 524,948 |
| Merrill Lynch Mortgage Investors | 5.520 | 6/25/2035 | 484,804 | 484,804 | 484,873 |
| Morgan Stanley Capital I | 5.270 | 6/13/2041 | 9,530,000 | 9,567,669 | 9,144,864 |
| Morgan Stanley Capital I | 4.850 | 6/13/2041 | 5,185,000 | 5,226,115 | 4,975,873 |
| Option One Mortgage Loan Trust | 7.020 | 8/25/2032 | 129,438 | 130,025 | 129,549 |
| Structured Asset Investment Loan Trust | 8.070 | 2/25/2034 | 620,000 | 626,878 | 626,972 |
| Lehman Xs Trust | 5.110 | 7/25/2035 | 570,000 | 544,818 | 528,085 |
| TOTAL OTHER ASSET BACKED SECURITIES | | | 35,038,821 | 34,744,485 | 33,424,109 |
| PRIVATE MORTGAGE-BACKED SECURITIES: | | | | | |
| Fremont Nim Trust | 5.500 | 4/25/2035 | 461,961 | 460,226 | 459,143 |
| Greenwich Cap Commercial Funding Corp | 2.310 | 7/5/2035 | 911,231 | 871,400 | 874,298 |
| LB-UBS Commercial Mortgage Trust | 4.568 | 1/15/2031 | 1,155,000 | 1,117,372 | 1,065,075 |
| Long Beach Asset Holdings Corporation | 4.150 | 4/25/2035 | 241,825 | 241,079 | 240,268 |
| Wachovia Bank Commercial Mortgage Trust | 8.200 | 3/15/2015 | 1,500,000 | 1,502,578 | 1,497,951 |
| TOTAL PRIVATE MORTGAGE-BACKED SECURITIES | | | 4,270,017 | 4,192,655 | 4,136,735 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF BONDS
JUNE 30, 2006

| | Interest Rate | Due Date | Par Value | Cost | Fair Value |
|--|------------------|----------|-----------------------|-----------------------|-----------------------|
| MORTGAGE TBA'S WITH INTEREST ACCRUAL: | | | | | |
| FHLMC TBA-INT 5% 02R050671 | 5.000 | 7/1/2036 | 735,000 | 688,948 | 686,306 |
| FNMA TBA-INT 5% 01F050478 | 5.000 | 7/1/2021 | 6,195,000 | 6,005,624 | 5,964,620 |
| FNMA TBA-INT 5.5% 01F052672 | 5.500 | 7/1/2036 | <u>4,935,000</u> | <u>4,773,966</u> | <u>4,739,140</u> |
| TOTAL MORTGAGE TBA'S WITH INTEREST ACCRUAL | | | <u>11,865,000</u> | <u>11,468,538</u> | <u>11,390,066</u> |
| TOTAL BONDS | | | \$ <u>429,543,649</u> | \$ <u>439,419,953</u> | \$ <u>422,888,425</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF FIXED INCOME FUNDS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|-------------------------------------|----------------|---------------------|-----------------------|
| Evergreen Selective High Yield Bond | 162,500 | \$ 1,625,000 | \$ 1,648,920 |
| First Trust/Fidac Mortg Incm | 14,000 | 223,538 | 224,700 |
| MFS Charter Income Trust | 26,000 | 218,007 | 213,460 |
| MFS Multimarket Inc Trust | 37,300 | 218,569 | 216,340 |
| MFS Intermed. Income Trust | 71,900 | 440,879 | 437,871 |
| MFS Gov't Markets Inc Trust | 22,473 | 142,932 | 141,130 |
| MFS Putnam Premier Income Trust | 36,000 | 219,913 | 216,360 |
| Putnam Master Int Income Trust | 72,000 | 434,722 | 431,280 |
| MFS Westn Asst/Claymore US Treasury | 20,000 | 238,312 | 222,800 |
| MFS Westn Asset/Claymore US Tips | <u>19,000</u> | <u>224,001</u> | <u>213,370</u> |
| | <u>481,173</u> | <u>\$ 3,985,873</u> | <u>\$ 3,966,231</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF REAL ESTATE FUNDS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|------------------------------|------------------|----------------------|-----------------------|
| Principal U.S. Property Fund | <u>1,764,954</u> | \$ <u>45,000,000</u> | \$ <u>48,148,813</u> |
| | <u>1,764,954</u> | \$ <u>45,000,000</u> | \$ <u>48,148,813</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | | <u>Cost</u> | | <u>Fair Value</u> |
|--------------------------------|---------------|----|-------------|----|-----------------------|
| ABX Air Inc. | 15,200 | \$ | 104,873 | \$ | 91,808 |
| ADC Telecommunications Inc | 33,299 | | 946,657 | | 561,421 |
| AFLAC Inc. | 13,021 | | 356,376 | | 603,523 |
| AGCO Corp | 45,800 | | 895,812 | | 1,205,456 |
| AGL Resources Inc. | 16,300 | | 420,381 | | 621,356 |
| AES Corporation | 17,039 | | 380,013 | | 314,370 |
| AT&T Inc | 104,381 | | 3,237,968 | | 2,911,186 |
| ATMI Inc. | 26,944 | | 662,202 | | 663,361 |
| Abbott Labs | 72,992 | | 2,896,352 | | 3,183,181 |
| Accuride Corp. | 4,200 | | 46,677 | | 52,374 |
| Ace Cash Express Inc. | 8,500 | | 168,791 | | 248,795 |
| Adobe Systems Inc | 16,162 | | 263,407 | | 490,678 |
| Advanced Medical Optics | 14,108 | | 483,279 | | 715,276 |
| Advanced Micro Devices Inc. | 12,671 | | 243,530 | | 309,426 |
| Advanta Corp | 4,600 | | 99,200 | | 150,834 |
| Aetna Inc | 15,308 | | 229,256 | | 611,248 |
| Affiliated Computer Svcs | 3,200 | | 169,268 | | 165,152 |
| Affiliated Managers Group | 9,589 | | 368,903 | | 833,188 |
| Affirmative Insurance Holdings | 6,600 | | 94,175 | | 103,290 |
| Aftermarket Technology Corp. | 10,200 | | 137,580 | | 253,470 |
| Agere Systems, Inc. | 67,500 | | 976,610 | | 992,250 |
| Agilent Technologies Inc. | 51,354 | | 1,832,734 | | 1,620,732 |
| Air Products & Chemical | 5,764 | | 239,040 | | 368,435 |
| Akamai Technologies | 42,000 | | 1,257,504 | | 1,519,980 |
| Alberto-Culver Co | 2,232 | | 50,759 | | 108,743 |
| Alcoa Inc | 144,507 | | 4,175,461 | | 4,676,247 |
| Alfa Corporation | 21,776 | | 296,872 | | 360,611 |
| Allegheny Energy Inc. | 4,088 | | 143,148 | | 151,542 |
| Allegheny Technologies Inc | 2,553 | | 99,158 | | 176,770 |
| Allergan Inc | 21,388 | | 1,974,662 | | 2,294,077 |
| Allied Waste Industries, Inc. | 5,902 | | 87,252 | | 67,047 |
| Allstate Corp | 50,019 | | 2,307,339 | | 2,737,540 |
| Alltel Corp | 10,796 | | 538,848 | | 689,109 |
| Alpha Natural Resources Inc. | 23,900 | | 525,084 | | 468,918 |
| Altera Corporation | 9,712 | | 316,349 | | 170,446 |
| Altria Group Inc | 122,812 | | 6,677,621 | | 9,018,085 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|---|---------------|-------------|-------------------|
| Amazon.Com Inc. | 8,530 | 400,434 | 329,940 |
| Ambac Inc | 2,695 | 154,403 | 218,565 |
| Amcol International Corp. | 20,236 | 290,115 | 533,219 |
| Ameren Corp | 5,089 | 219,065 | 256,995 |
| American Axle & Mfg Holdings | 28,900 | 707,156 | 494,479 |
| American Commercial Lines | 28,818 | 845,120 | 1,736,285 |
| American Electric Power | 10,618 | 390,937 | 363,667 |
| American Equity Investment Life Holding | 65,600 | 853,333 | 699,296 |
| American Express Co | 94,396 | 3,479,518 | 5,023,755 |
| American Greetings Corporation | 31,100 | 599,163 | 653,411 |
| American International Group | 98,628 | 5,433,435 | 5,823,983 |
| Amer Natl Bnkshs/Danville Va | 2,545 | 57,421 | 58,866 |
| American Power Conversion | 4,786 | 127,662 | 93,279 |
| American Reprographics Co. | 18,600 | 635,483 | 674,250 |
| American Standard Companies | 5,266 | 132,181 | 227,860 |
| Ameron International Corp | 4,000 | 114,056 | 268,080 |
| Amerus Group Co. | 18,500 | 565,421 | 1,083,175 |
| Amerisourcebergen Corp. | 5,600 | 179,408 | 234,752 |
| Ameriprise Financial Inc | 6,579 | 109,630 | 293,884 |
| Ameris Bancorp | 5,604 | 74,565 | 129,677 |
| Ametek Inc. | 21,307 | 499,217 | 1,009,526 |
| Amgen, Inc. | 76,545 | 3,830,663 | 4,993,030 |
| Amsouth Bancorporation | 8,905 | 218,257 | 235,537 |
| Amylin Pharmaceuticals, Inc | 24,100 | 1,105,460 | 1,189,817 |
| Anadarko Petroleum Corporation | 12,654 | 297,559 | 603,469 |
| Analog Devices | 9,666 | 295,282 | 310,665 |
| Anchor Bancorp Wisconsin Inc. | 10,600 | 254,471 | 319,802 |
| Andrew Corp | 4,677 | 83,918 | 41,438 |
| Anheuser Busch Co Inc | 20,362 | 628,483 | 928,304 |
| Aon Corp | 8,518 | 269,431 | 296,597 |
| Apache Corporation | 112,985 | 7,003,374 | 7,711,226 |
| Apartment Investment And Mana | 2,380 | 86,812 | 103,411 |
| Apollo Group Inc. | 3,748 | 164,726 | 193,659 |
| Apollo Investment Corp. | 48,006 | 750,593 | 887,151 |
| Apple Computer, Inc. | 65,346 | 3,027,161 | 3,732,564 |
| Apria Healthcare Group Inc. | 25,100 | 732,596 | 474,390 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--------------------------------|---------------|-------------|-----------------------|
| Applera Corp. - Applied Biosy | 5,300 | 118,287 | 171,455 |
| Applied Materials Inc. | 165,038 | 2,805,132 | 2,686,819 |
| Applix Inc. | 500 | 2,327 | 3,690 |
| Archer - Daniels - Midland Co. | 17,645 | 318,682 | 728,386 |
| Archstone-Smith Trust | 5,300 | 206,689 | 269,611 |
| Arctic Cat Inc. | 3,900 | 75,281 | 76,089 |
| Argonaut Group Inc. | 12,636 | 269,547 | 379,585 |
| Arrow Financial Corp. | 1,900 | 49,972 | 52,117 |
| Arrow International Inc. | 15,017 | 450,231 | 493,609 |
| Arvinmeritor Inc. | 43,300 | 721,183 | 744,327 |
| Asbury Automotive Group | 20,200 | 256,826 | 422,988 |
| Ashland Inc | 1,731 | 60,860 | 115,458 |
| Aspreva Pharmaceuticals Corp. | 20,400 | 596,964 | 553,656 |
| Asset Acceptance Capital | 16,680 | 327,749 | 330,264 |
| Atmos Energy Corp. | 24,800 | 640,899 | 692,168 |
| Atwood Oceanics Inc. | 11,402 | 345,579 | 565,539 |
| Autodesk Inc | 6,272 | 71,700 | 216,133 |
| Automatic Data Processing Inc | 15,168 | 506,334 | 687,869 |
| Autonation Inc. | 4,805 | 65,008 | 103,019 |
| Autozone Inc. | 25,544 | 2,414,174 | 2,252,981 |
| Avaya Inc. | 11,647 | 137,837 | 133,009 |
| Avery Dennison Corp. | 2,802 | 133,505 | 162,684 |
| Avocent Corporation | 18,300 | 472,845 | 480,375 |
| Avon Prods Inc Com | 12,212 | 255,199 | 378,572 |
| BB&T Corporation | 14,146 | 484,903 | 588,332 |
| BJ Services Co. | 9,218 | 183,131 | 343,463 |
| BJ'S Wholesale Club Inc. | 17,500 | 297,129 | 496,125 |
| BMC Software | 5,917 | 267,932 | 141,416 |
| Baker Hughes Inc. | 27,039 | 1,392,476 | 2,213,142 |
| Bakers Footwear Group Inc. | 1,100 | 15,666 | 15,301 |
| Ball Corporation | 2,892 | 37,046 | 107,120 |
| Bancfirst Corp. | 5,800 | 163,141 | 259,550 |
| Bancorpsouth Inc. | 18,800 | 403,522 | 512,300 |
| Bandag Inc. | 4,300 | 181,049 | 157,337 |
| Bandag Inc. | 4,500 | 146,205 | 139,500 |
| Bank Of America Corp | 203,209 | 7,512,301 | 9,774,353 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|-------------------------------|---------------|-------------|-------------------|
| Bank Of New York Inc. | 20,257 | 582,099 | 652,275 |
| Bard C R Inc. | 2,640 | 57,393 | 193,406 |
| Barr Laboratories Inc. | 2,900 | 193,765 | 138,301 |
| Basic Energy Services Inc. | 16,978 | 362,657 | 519,017 |
| Bausch & Lomb Inc | 1,350 | 57,101 | 66,204 |
| Baxter International | 16,855 | 565,192 | 619,590 |
| Bear Stearns Cos. Inc. | 2,990 | 186,008 | 418,839 |
| Beazer Homes Usa Inc. | 1,900 | 16,638 | 87,153 |
| Beckman Coulter Inc. | 15,000 | 805,382 | 833,250 |
| Becton Dickinson & Co | 6,460 | 188,520 | 394,900 |
| Bed Bath & Beyond Inc. | 7,589 | 179,861 | 251,727 |
| Bell Microproducts Inc. | 18,700 | 128,819 | 101,354 |
| Bellsouth Corporation | 137,274 | 4,253,397 | 4,969,319 |
| Bemis Co.Inc. | 2,694 | 58,775 | 82,490 |
| Berry Petroleum - Cl A | 22,546 | 835,065 | 747,400 |
| Best Buy Company Inc. | 10,959 | 271,986 | 600,992 |
| Big 5 Sporting Goods Corp. | 13,300 | 267,588 | 259,350 |
| Big Lots Inc. | 2,961 | 91,384 | 50,574 |
| Bioenvision Inc. | 94,400 | 704,459 | 503,152 |
| Biomet Inc. | 6,744 | 121,624 | 211,020 |
| Biogen Idec Inc | 9,129 | 458,981 | 422,947 |
| Black & Decker Corporation | 1,968 | 76,107 | 166,217 |
| H & R Block | 9,086 | 108,034 | 216,792 |
| Bluegreen Corp. | 11,500 | 40,466 | 131,790 |
| Bluelinx Holdings Inc. | 9,300 | 137,138 | 121,179 |
| Blyth Inc. | 21,800 | 586,676 | 402,428 |
| Boeing Co. | 49,525 | 2,506,280 | 4,056,593 |
| Borders Group, Inc. | 33,400 | 634,486 | 616,564 |
| Boston Properties Inc. | 2,400 | 223,657 | 216,960 |
| Boston Scientific Corp | 127,449 | 2,778,686 | 2,146,241 |
| Boyd Gaming Corp. | 21,100 | 1,051,234 | 851,596 |
| Briggs & Stratton Corporation | 26,200 | 956,234 | 815,082 |
| Brigham Exploration Co. | 13,900 | 122,135 | 109,949 |
| Bristol - Myers Squibb Co | 52,863 | 1,341,167 | 1,367,037 |
| Bristol West Holdings Inc. | 15,700 | 284,765 | 251,200 |
| Bristow Group Inc | 9,200 | 296,006 | 331,200 |
| Broadcom Corp. | 56,133 | 2,799,308 | 1,686,797 |
| Brown-Forman Corp - Cl B | 2,556 | 72,816 | 182,626 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--------------------------------|---------------|-------------|-------------------|
| Brown Shoe Inc. | 3,250 | 43,419 | 110,760 |
| Brunswick Corporation | 2,390 | 65,797 | 79,468 |
| Buckle Inc | 3,200 | 67,415 | 133,984 |
| Bucyrus International Inc. | 24,304 | 457,565 | 1,227,352 |
| Buffalo Wild Wings Inc. | 21,381 | 761,165 | 819,106 |
| Building Material Holding Corp | 13,400 | 77,307 | 373,458 |
| Burlington Northern Santa Fe | 45,314 | 3,122,214 | 3,591,135 |
| CBS Corp - Class B | 20,968 | 659,693 | 567,184 |
| Cbrl Group Inc. | 10,900 | 396,072 | 369,728 |
| C-Cor.Net Corporation | 74,628 | 535,297 | 576,128 |
| CEC Entertainment Inc. | 1,200 | 38,251 | 38,544 |
| Cigna Corp | 3,556 | 197,927 | 350,302 |
| Cit Group Inc. | 5,400 | 216,432 | 282,366 |
| Cleco Corporation (New) | 9,800 | 212,405 | 227,850 |
| CMS Energy Corp | 5,255 | 137,777 | 68,000 |
| CSS Industries, Inc. | 5,000 | 149,811 | 143,750 |
| CNA Surety Corp | 21,600 | 294,893 | 373,248 |
| CSX Corporation | 5,421 | 225,960 | 381,855 |
| CVS Corp | 112,486 | 2,851,006 | 3,453,320 |
| CA Inc | 12,587 | 348,048 | 258,663 |
| Cabot Oil & Gas Corp. - Cl A | 17,809 | 832,654 | 872,641 |
| Cadmus Communications Corp. | 4,400 | 60,794 | 76,912 |
| Camden National Corp. | 3,600 | 96,586 | 143,640 |
| Campbell Soup | 5,312 | 202,549 | 197,128 |
| Cantel Medical Corp. | 4,700 | 66,243 | 66,928 |
| Capital One Financial Corp. | 7,843 | 419,161 | 670,184 |
| Capital Title Group Inc. | 1,300 | 5,408 | 9,581 |
| Cardinal Health Inc. | 47,103 | 2,978,845 | 3,030,136 |
| Caremark Rx Inc. | 59,400 | 1,744,729 | 2,962,278 |
| Carnival Corp | 11,743 | 433,111 | 490,153 |
| Caterpillar Inc. | 32,174 | 1,032,979 | 2,396,320 |
| Cendant Corporation | 116,437 | 2,040,052 | 1,896,759 |
| Centerpoint Energy Inc | 7,748 | 153,210 | 96,850 |
| Centex Corporation | 3,258 | 48,103 | 163,877 |
| Centurytel Inc | 3,630 | 143,657 | 134,855 |
| Ceradyne Inc. | 28,964 | 884,262 | 1,433,428 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--------------------------------|---------------|-------------|-----------------------|
| Ceres Group Inc. | 20,300 | 72,039 | 126,266 |
| Charming Shoppes Inc. | 9,635 | 101,946 | 108,297 |
| Chemical Financial Corp. | 11,882 | 370,822 | 363,589 |
| Chesapeake Energy Corp. | 9,800 | 310,513 | 296,450 |
| Chevrontexaco Corp. | 150,329 | 7,481,940 | 9,329,418 |
| Chicago Bridge & Iron - Ny Shr | 32,513 | 529,345 | 785,189 |
| Children'S Place | 19,798 | 904,706 | 1,188,870 |
| Chiquita Brands Intl. | 25,800 | 475,986 | 355,524 |
| Chromcraft Revington Inc | 2,900 | 44,153 | 33,901 |
| Chubb Corp | 10,190 | 342,487 | 508,481 |
| Ciena Corp. | 15,749 | 154,537 | 75,753 |
| Cincinnati Financial Corp. | 4,494 | 177,192 | 211,263 |
| Circuit City Stores - Circuit | 5,055 | 54,016 | 137,597 |
| Cisco Systems, Inc. | 307,721 | 4,964,571 | 6,009,791 |
| Cintas Corp. | 4,024 | 155,216 | 159,994 |
| Citigroup Inc. | 213,881 | 7,889,363 | 10,317,619 |
| Citizens Banking Corp. Mich | 11,500 | 306,571 | 280,715 |
| Citizens Communications Co. | 8,189 | 111,894 | 106,866 |
| Citrix Systems Inc. | 4,293 | 164,750 | 172,321 |
| Clear Channel Communications | 14,077 | 723,884 | 435,683 |
| Clorox Company | 3,897 | 134,004 | 237,600 |
| Coach Inc. | 9,900 | 211,962 | 296,010 |
| Coca-Cola Company Com | 97,378 | 5,040,257 | 4,189,202 |
| Coca-Cola Enterprises | 8,967 | 261,996 | 182,658 |
| Cogent Inc. | 39,100 | 961,747 | 589,237 |
| Cohu Inc. | 9,500 | 193,508 | 166,725 |
| Coldwater Creek Inc. | 46,255 | 804,080 | 1,237,784 |
| Kenneth Cole Productions | 6,100 | 161,659 | 136,213 |
| Colgate-Palmolive | 38,547 | 1,841,923 | 2,308,965 |
| Columbia Banking System Inc. | 6,546 | 71,551 | 244,689 |
| Columbia Sportswear Co. | 7,200 | 327,795 | 325,872 |
| Comcast Corp | 57,740 | 1,877,921 | 1,890,408 |
| Comerica, Inc. | 4,443 | 202,120 | 230,992 |
| Commerce Bancorp Inc. Nj | 40,800 | 1,258,483 | 1,455,336 |
| Commerce Group Inc | 31,800 | 405,640 | 939,372 |
| Commercial Vehicle Group Inc. | 12,800 | 237,031 | 264,704 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|------------------------------------|---------------|-------------|-----------------------|
| Commonwealth Telephone Enterprises | 11,300 | 430,041 | 374,708 |
| Commscope Inc. | 30,508 | 702,177 | 958,561 |
| Community Bank System Inc. | 16,700 | 338,542 | 336,839 |
| Community Trust Bancorp Inc. | 5,723 | 99,288 | 199,904 |
| Compass Bancshares Inc. | 2,900 | 137,149 | 161,240 |
| Complete Production Services | 32,070 | 806,842 | 758,135 |
| Computer Sciences Corp | 4,749 | 182,848 | 230,042 |
| Compuware Corp. | 9,589 | 250,202 | 64,246 |
| Comverse Technology Inc. | 5,073 | 231,273 | 100,293 |
| Conagra Inc | 13,621 | 312,306 | 301,160 |
| Conmed Corp. | 7,100 | 166,024 | 146,970 |
| Conocophillips | 138,670 | 7,352,043 | 9,087,045 |
| Consol Energy Inc. | 2,660 | 118,265 | 124,275 |
| Consolidated Edison Inc | 6,063 | 202,475 | 269,440 |
| Constellation Brands Inc. - A | 5,100 | 152,439 | 127,500 |
| Constellation Energy Group | 4,494 | 139,793 | 245,013 |
| Convergys Corp. | 36,953 | 578,141 | 720,584 |
| Cooper Tire & Rubber | 1,866 | 36,542 | 20,787 |
| Corning, Inc. | 107,007 | 2,490,795 | 2,588,499 |
| Corrections Corp. Of America | 19,208 | 618,121 | 1,016,872 |
| Corus Bankshares Inc | 24,400 | 224,091 | 638,792 |
| Costco Wholesale Corp | 13,069 | 326,727 | 746,632 |
| Countrywide Credit Inds., Inc. | 16,350 | 255,064 | 622,608 |
| Covance, Inc. | 6,035 | 253,474 | 369,463 |
| Covansys Corporation | 11,496 | 157,084 | 144,505 |
| Coventry Health Care Inc | 4,140 | 221,977 | 227,452 |
| Craftmade International Inc. | 2,456 | 49,445 | 41,138 |
| Cubist Pharmaceuticals Inc. | 37,800 | 566,818 | 951,804 |
| Cummins Inc. | 1,153 | 62,870 | 140,954 |
| Cytex Industries Inc | 23,369 | 1,225,869 | 1,253,981 |
| Cytex Corporation | 27,692 | 641,298 | 702,269 |
| D. R. Horton, Inc. | 7,100 | 266,286 | 169,122 |
| DSP Group Inc. | 38,413 | 780,886 | 954,563 |
| DTE Energy Company | 4,360 | 157,009 | 177,626 |
| Danaher Corp. | 6,552 | 166,423 | 421,425 |
| Darden Restaurants Inc. | 3,969 | 42,689 | 156,379 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|----------------------------------|---------------|-------------|-------------------|
| Darwin Professional Underwriters | 19,319 | 342,753 | 341,174 |
| Dataram Corp. | 4,000 | 21,661 | 18,680 |
| Davita Inc. | 21,100 | 943,698 | 1,048,670 |
| Dean Foods Co. | 38,462 | 1,494,882 | 1,430,402 |
| Deere & Co Corn | 6,472 | 341,632 | 540,347 |
| Del Monte Foods Co. | 70,500 | 748,551 | 791,715 |
| Dell Inc | 217,647 | 5,170,184 | 5,312,763 |
| Delphi Financial Group | 21,750 | 535,928 | 790,830 |
| Denbury Resources Inc. | 12,742 | 143,460 | 403,539 |
| Deluxe Corp | 26,700 | 1,036,102 | 466,716 |
| Devon Energy Corporation | 12,508 | 330,188 | 755,608 |
| Diamondcluster Intl. Inc. | 110,609 | 1,130,862 | 876,023 |
| Dime Community Bancshares | 9,300 | 130,093 | 126,201 |
| Dillards Inc | 2,150 | 59,964 | 68,478 |
| Direct General Corp. | 12,400 | 315,442 | 209,808 |
| Disney Co | 59,525 | 1,496,589 | 1,785,750 |
| Dollar General Corporation | 8,460 | 168,261 | 118,271 |
| Dominion Homes Inc. | 1,000 | 6,848 | 8,990 |
| Dominion Resources Inc/Va | 10,083 | 526,620 | 754,108 |
| Donegal Group Inc. | 2,133 | 14,957 | 41,402 |
| Donegal Group Inc. - Cl B | 1,066 | 7,119 | 17,749 |
| Donnelley R R & Sons Company | 5,474 | 177,217 | 174,894 |
| Dorman Products Inc | 5,000 | 20,856 | 58,900 |
| Dover Corp. | 57,580 | 2,698,349 | 2,846,179 |
| Dow Chemical | 26,122 | 834,958 | 1,019,542 |
| Dow Jones & Co., Inc. | 1,864 | 81,590 | 65,259 |
| Downey Financial Corp. | 13,200 | 492,460 | 895,620 |
| Dupont (Ei) De Nemours & Co. | 24,862 | 1,127,723 | 1,034,259 |
| Ducommun Inc. | 3,200 | 60,752 | 59,264 |
| Duke Energy Corp | 33,146 | 846,956 | 973,498 |
| Duquesne Light Holdings Inc | 40,700 | 568,512 | 669,108 |
| Dynamics Research Corp. | 5,500 | 84,299 | 74,690 |
| Dynegy Inc. | 9,452 | 359,858 | 51,702 |
| EMC Corp/Mass | 63,870 | 859,694 | 700,654 |
| EMC Ins Group Inc. | 1,880 | 39,438 | 54,069 |
| EOG Resources Inc | 6,312 | 144,008 | 437,674 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--------------------------------|---------------|-------------|-------------------|
| E*Trade Group Inc. | 10,600 | 158,850 | 241,892 |
| Earthlink Inc. | 68,000 | 642,660 | 588,880 |
| Eastman Chemical Company | 1,963 | 108,011 | 106,002 |
| Eastman Kodak Co Com | 7,266 | 449,299 | 172,785 |
| Eaton Corporation | 3,784 | 140,439 | 285,314 |
| EBay Inc. | 31,196 | 556,744 | 913,731 |
| Ecolab Inc | 5,665 | 83,419 | 229,886 |
| Edison International | 8,964 | 199,685 | 349,596 |
| Edwards Lifesciences Corp | 22,500 | 979,822 | 1,022,175 |
| El Paso Corporation | 18,096 | 525,059 | 271,440 |
| Electronic Arts Inc. | 125,886 | 6,166,247 | 5,418,133 |
| Electronic Data Systems Corp | 13,833 | 542,324 | 332,822 |
| Elkcorp | 10,100 | 307,930 | 280,477 |
| Perry Ellis International | 5,000 | 105,119 | 126,550 |
| Embarq Corp | 3,983 | 184,638 | 163,263 |
| Emergency Medical Services - A | 26,000 | 331,840 | 335,400 |
| Emerson Elec Co | 44,241 | 3,432,094 | 3,707,838 |
| Emulex Corp. | 34,700 | 690,214 | 564,569 |
| Encore Acquisition Co. | 9,950 | 156,024 | 266,959 |
| Energen Corp. | 2,300 | 79,706 | 88,343 |
| Energy Partners Ltd. | 1,400 | 29,658 | 26,530 |
| Engelhard Corporation | 3,194 | 69,872 | 124,502 |
| Energysouth Inc. | 42 | 1,017 | 1,312 |
| Ennis Business Forms | 7,800 | 142,290 | 153,504 |
| Entergy Corp | 5,927 | 208,758 | 419,335 |
| Equifax, Inc. | 3,576 | 70,009 | 122,800 |
| Equity Office Properties Trus | 12,314 | 366,708 | 449,584 |
| Equity Residential | 7,213 | 207,062 | 322,637 |
| Essex Corp. | 50,864 | 909,083 | 936,915 |
| Ethan Allen Interiors Inc. | 16,900 | 568,372 | 617,695 |
| Exelon Corporation | 18,948 | 502,662 | 1,076,815 |
| Express Scripts Inc. | 4,200 | 131,694 | 301,308 |
| Expressjet Holdings Inc. | 33,200 | 393,784 | 229,412 |
| Exxon Mobil Corporation | 163,415 | 4,123,479 | 10,025,510 |
| FBL Financial Group Inc. | 13,200 | 297,644 | 427,680 |
| FMC Corp | 2,900 | 189,172 | 186,731 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--|---------------|-------------|-------------------|
| FNB Corp/North Carolina | 2,874 | 56,688 | 52,307 |
| FNB Corp. | 22,300 | 390,497 | 351,671 |
| FPL Group Inc | 45,861 | 1,725,469 | 1,897,728 |
| FNB Corporation/Va | 3,512 | 92,862 | 129,944 |
| Family Dollar Stores, Inc. | 4,363 | 123,539 | 106,588 |
| Featherlite Inc. | 6,215 | 22,043 | 27,905 |
| Federal Home Loan Mortgage Corporation | 18,634 | 879,079 | 1,062,324 |
| Federal National Mortgage Association | 63,911 | 3,517,027 | 3,074,119 |
| Federated Department Stores | 14,108 | 342,163 | 516,353 |
| Federated Investors Inc. | 2,766 | 76,080 | 87,129 |
| Fedex Corporation | 36,650 | 3,251,210 | 4,282,919 |
| Fifth Third Bancorp. | 16,216 | 695,214 | 599,181 |
| FileNet Corp. | 22,138 | 445,229 | 596,176 |
| Finlay Enterprises Inc. | 4,300 | 55,747 | 36,550 |
| The Finish Line - CI A | 4,300 | 54,354 | 50,869 |
| Commer Banks - Southern Us | 5,577 | 114,897 | 117,117 |
| First Commonwealth Finl Corp. | 9,200 | 123,483 | 116,840 |
| First Community Bancshares | 5,372 | 168,142 | 177,222 |
| First Data Corp. | 55,274 | 2,192,068 | 2,489,541 |
| First Defiance Finl Corp. | 1,400 | 35,637 | 36,890 |
| First Financial Corp Indiana | 403 | 12,183 | 12,094 |
| First Financial Service Corp | 1,838 | 42,504 | 56,059 |
| First Financial Holdings Inc. | 7,300 | 213,256 | 233,600 |
| First Horizon National Corp | 3,203 | 124,525 | 128,761 |
| First M & F Corp. | 3,600 | 59,878 | 71,125 |
| First Merchants Corp. | 3,600 | 85,647 | 87,516 |
| First Mutual Bancshares Inc. | 1,197 | 10,769 | 31,182 |
| First Place Financial/Ohio | 6,600 | 144,297 | 151,866 |
| First United Corp. | 2,900 | 62,457 | 59,885 |
| Firstbank Corp./Alma Mich | 2,322 | 55,363 | 53,615 |
| Fiserv Inc. | 4,900 | 152,136 | 222,264 |
| Firstfed Financial Corp. | 7,800 | 193,568 | 449,826 |
| Flagstar Bancorp Inc. | 23,400 | 77,822 | 373,464 |
| First Energy Corp | 8,449 | 251,141 | 458,020 |
| Fisher Scientific Intl' | 3,000 | 179,095 | 219,150 |
| Flexsteel Inds | 296 | 5,747 | 3,848 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--------------------------------|---------------|-------------|-----------------------|
| Fluor Corp (New) | 2,168 | 86,898 | 201,472 |
| Flushing Financial Corp. | 9,000 | 108,687 | 161,640 |
| Ford Motor Company | 50,324 | 1,241,458 | 348,745 |
| Forest Laboratories Inc. | 9,107 | 331,158 | 352,350 |
| Forest Oil Corp. | 2,700 | 78,973 | 89,532 |
| Formfactor Inc. | 20,414 | 537,665 | 911,077 |
| Fortune Brands Inc | 54,631 | 4,310,046 | 3,879,347 |
| Franklin Bank Corp/Houston | 6,000 | 106,719 | 121,140 |
| Franklin Elec Publishers Inc. | 400 | 1,172 | 1,156 |
| Franklin Resources Inc | 4,329 | 200,780 | 375,800 |
| Freeport-Mcmoran Copper-B | 5,140 | 146,797 | 284,807 |
| Freescale Semiconductor - B | 10,843 | 185,020 | 318,784 |
| Fremont General Corp. | 35,500 | 164,648 | 658,880 |
| Frisch's Restaurants Inc. | 2,100 | 28,747 | 49,833 |
| Furniture Brands Intl. Inc. | 26,800 | 587,592 | 558,512 |
| GFI Group Inc. | 11,500 | 623,744 | 620,425 |
| GSI Group Inc. | 100,300 | 1,164,282 | 861,577 |
| Gannett Co Inc | 6,413 | 380,384 | 358,679 |
| Gap Inc. | 78,920 | 1,386,424 | 1,373,208 |
| Gateway Inc | 8,220 | 173,690 | 15,618 |
| Gehl Company | 1,800 | 41,643 | 45,954 |
| General Dynamics Corporation | 10,412 | 305,322 | 681,570 |
| General Electric Co | 457,561 | 12,982,070 | 15,081,211 |
| General Mills Inc. | 74,132 | 3,590,660 | 3,829,659 |
| General Motors Corp | 15,320 | 666,414 | 456,383 |
| Genesco Inc. | 10,800 | 214,297 | 365,796 |
| Genuine Parts Company | 4,409 | 143,396 | 183,679 |
| Genworth Financial Inc. - Cl A | 10,100 | 351,480 | 351,884 |
| Genzyme Corporation | 6,973 | 380,216 | 425,702 |
| Georgia Gulf Corporation | 10,400 | 293,022 | 260,208 |
| German American Bancorp | 5,500 | 72,086 | 71,280 |
| Gibraltar Industries Inc | 14,050 | 245,450 | 407,450 |
| Gilead Sciences Inc. | 12,702 | 457,844 | 751,450 |
| Global Imaging Systems Inc. | 6,100 | 37,939 | 251,808 |
| Gold Kist Inc. | 18,400 | 240,691 | 246,008 |
| Golden West Financial Corp. | 7,242 | 140,611 | 537,356 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|---------------------------------------|---------------|-------------|-----------------------|
| Goldman Sachs Group Inc. | 11,769 | 922,610 | 1,770,411 |
| Goodrich (B.F.)Co | 2,981 | 97,615 | 120,104 |
| Goodyear Tire & Rubber Co. | 13,446 | 282,317 | 149,251 |
| Google Inc. | 14,635 | 4,445,704 | 6,136,895 |
| Graftech International Ltd. | 31,500 | 163,548 | 182,700 |
| W. W. Grainger, Inc. | 2,324 | 105,458 | 174,835 |
| Great Amern Finl Res Inc. | 16,200 | 261,915 | 339,066 |
| Great Plains Energy Inc. | 24,300 | 694,824 | 676,998 |
| Greater Bay Bancorp | 4,900 | 86,191 | 140,875 |
| Green Mountain Power Corp. | 1,700 | 46,916 | 57,783 |
| Group 1 Automotive Inc. | 10,900 | 350,531 | 614,106 |
| Gulfmark Offshore Inc. | 6,300 | 162,109 | 162,729 |
| H&E Equipment Services Inc. | 20,361 | 445,511 | 599,631 |
| HCA - The Healthcare Company | 10,421 | 427,611 | 449,666 |
| Halliburton Co. | 13,688 | 511,613 | 1,015,786 |
| John Hancock Bank & Trift | 262,800 | 2,520,086 | 2,475,576 |
| Handleman Co. | 10,100 | 122,726 | 82,315 |
| Hanover Insurance Group Inc | 8,300 | 257,941 | 393,918 |
| Harland (John H.) Co. | 13,400 | 337,694 | 582,900 |
| Harley Davidson Inc. | 7,369 | 286,870 | 404,484 |
| Harleysville Group Inc. | 12,200 | 275,314 | 386,984 |
| Harleysville National Corp. | 7,100 | 139,520 | 150,591 |
| Harman International | 1,800 | 198,000 | 153,666 |
| Harrah's Entertainment Inc. | 4,782 | 220,338 | 340,383 |
| Harrington West Financial Group, Inc. | 2,280 | 31,863 | 36,252 |
| Harris Interactive Inc. | 102,272 | 688,732 | 582,950 |
| Hartford Financial Svcs Grp. | 41,161 | 3,146,034 | 3,482,221 |
| Hartmarx Corp. | 18,100 | 127,285 | 108,600 |
| Hasbro Inc. | 4,393 | 73,964 | 79,557 |
| Hastings Entertainment Inc. | 5,380 | 35,354 | 41,964 |
| Health Mgmt Associates Inc. | 6,054 | 119,688 | 119,324 |
| Headwaters Inc. | 2,100 | 52,447 | 53,676 |
| H J Heinz Co | 9,013 | 316,597 | 371,516 |
| Helix Energy Solutions Group | 14,376 | 430,258 | 580,215 |
| Hercules Inc | 14,988 | 236,858 | 228,717 |
| Hershey Foods | 4,854 | 146,573 | 267,310 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|---------------------------------|---------------|-------------|-----------------------|
| Hess Corp | 6,843 | 136,970 | 361,653 |
| Hewlett - Packard | 75,322 | 1,679,278 | 2,386,201 |
| Hickory Tech Corp. | 8,100 | 69,359 | 56,700 |
| Hilton Hotels Corporation | 8,957 | 122,321 | 253,304 |
| Home Depot Inc. | 126,799 | 4,518,521 | 4,538,136 |
| Honeywell Int'L | 91,884 | 3,805,264 | 3,702,925 |
| Hooker Furniture Corp. | 4,400 | 70,024 | 73,788 |
| Horace Mann Educators | 22,300 | 421,022 | 377,985 |
| Hornbeck Offshore Services | 36,833 | 1,231,293 | 1,308,308 |
| Hospira Inc | 4,069 | 102,868 | 174,723 |
| Houston Exploration Co. | 15,100 | 513,328 | 923,969 |
| Humana Inc | 4,397 | 95,394 | 236,119 |
| Human Genome Sciences Inc. | 66,800 | 620,275 | 714,760 |
| Huntington Bancshares | 5,799 | 126,010 | 136,740 |
| Huron Consulting Group, Inc. | 37,343 | 882,918 | 1,310,366 |
| Hutchinson Tech | 11,900 | 310,189 | 257,397 |
| Hydril Company | 9,761 | 774,723 | 766,434 |
| I-Flow Corp. | 56,600 | 775,847 | 612,412 |
| IMS Health Inc | 6,365 | 117,004 | 170,900 |
| ITLA Capital Corporation | 2,600 | 39,215 | 136,708 |
| Iberiabank Corp. | 3,125 | 41,144 | 179,813 |
| ITT Industries Inc. | 5,060 | 116,250 | 250,470 |
| Ikon Office Solutions Inc. | 41,400 | 317,506 | 521,640 |
| Illinois Tool Works Inc. | 11,802 | 335,375 | 560,595 |
| Indymac Bancorp Inc | 28,700 | 718,291 | 1,315,895 |
| Infinity Property And Casualty | 9,800 | 304,144 | 401,800 |
| Informatica Corp. | 39,301 | 361,177 | 517,201 |
| Infospace Inc. | 13,400 | 320,587 | 303,778 |
| Ingles Markets Inc. - Cl A | 6,100 | 93,726 | 103,700 |
| Integra Lifesciences Holding | 13,600 | 497,199 | 527,816 |
| Integrated Device Tech Inc | 43,157 | 487,652 | 611,966 |
| Intel Corporation | 339,996 | 6,384,449 | 6,442,924 |
| Integra Bank Corporation | 5,800 | 135,280 | 126,150 |
| International Bancshares Crp. | 12,910 | 345,669 | 354,767 |
| International Business Machines | 42,343 | 2,674,537 | 3,252,789 |
| Intl Flavors & Fragrances | 2,380 | 100,609 | 83,871 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|-----------------------------------|---------------|-------------|-----------------------|
| International Game Technology Com | 9,365 | 153,383 | 355,308 |
| International Paper | 13,348 | 627,613 | 431,140 |
| Interpool Inc | 7,700 | 150,333 | 171,094 |
| Interpublic Group | 10,583 | 233,916 | 88,368 |
| Intersections Inc. | 10,200 | 98,520 | 110,670 |
| Intervoice Inc. | 17,700 | 155,279 | 126,024 |
| Intervideo, Inc. | 8,500 | 87,656 | 83,045 |
| Intuit Inc. | 4,905 | 225,554 | 296,213 |
| Inverness Medical Innovation | 23,040 | 535,171 | 650,419 |
| Iowa Telecommunications Serv | 13,800 | 248,055 | 261,096 |
| Itron Inc. | 8,193 | 362,195 | 485,517 |
| J. Crew Group Inc. | 1,180 | 23,600 | 32,391 |
| JDS Uniphase Corp. | 294,375 | 3,353,778 | 744,769 |
| JP Morgan Chase & Co. | 191,259 | 7,111,579 | 8,032,878 |
| Jabil Circuit Inc. | 5,038 | 148,121 | 128,973 |
| Jack In The Box Inc. | 16,900 | 436,394 | 662,480 |
| Jakks Pacific Inc. | 12,700 | 234,692 | 255,143 |
| Janus Capital Group Inc | 6,069 | 144,644 | 108,635 |
| Johnson & Johnson | 138,272 | 6,019,008 | 8,285,258 |
| Johnson Controls | 4,924 | 150,004 | 404,851 |
| Jones Apparel Group (Jones Of Ny) | 3,244 | 107,923 | 103,127 |
| Journal Communications Inc. | 21,200 | 282,542 | 238,288 |
| Journal Register Co. | 24,500 | 410,555 | 219,520 |
| Juniper Networks Inc. | 160,900 | 3,304,597 | 2,572,791 |
| Kla-Tencor Corp. | 5,427 | 218,159 | 225,600 |
| K-Swiss Inc. | 7,900 | 176,770 | 210,930 |
| Kaydon Corp. | 31,231 | 997,369 | 1,165,229 |
| KB Home | 2,112 | 28,476 | 96,835 |
| Kellogg Company | 6,811 | 272,541 | 329,857 |
| Kennametal, Inc. | 18,393 | 896,060 | 1,144,964 |
| Kerr-Mcgee Corporation | 6,050 | 176,193 | 419,568 |
| Key Tronic Corp. | 5,900 | 20,761 | 23,069 |
| Keycorp | 10,724 | 275,709 | 382,632 |
| Keyspan Corporation | 5,490 | 198,043 | 221,796 |
| Kimberly Clark Corporation | 12,603 | 692,154 | 777,605 |
| Kimco Realty Corp. | 5,500 | 223,245 | 200,695 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--------------------------------------|---------------|-------------|-------------------|
| Kinder Morgan Inc. | 2,796 | 133,070 | 279,292 |
| Kindred Healthcare Inc. | 13,500 | 313,108 | 351,000 |
| Kinetic Concepts Inc. | 25,300 | 1,297,750 | 1,116,995 |
| King Pharmaceuticals Inc. | 6,106 | 170,696 | 103,802 |
| Kohls Corp. | 63,794 | 3,072,288 | 3,771,501 |
| Kroger Co. | 19,537 | 365,303 | 427,079 |
| Kulicke & Soffa Industries | 8,000 | 60,176 | 59,280 |
| LSI Logic Corp. | 9,617 | 139,165 | 86,072 |
| L-3 Communications Holdgs Inc | 3,000 | 225,453 | 226,260 |
| Laboratory Crp Of America Hlgs | 64,234 | 3,733,435 | 3,997,282 |
| Laclede Group Inc. /The | 5,700 | 185,702 | 195,852 |
| Lakeland Financial Corp. | 3,600 | 59,419 | 87,444 |
| Landamerica Financial Group | 8,600 | 289,675 | 555,560 |
| Landry'S Seafood Restaurants | 1,200 | 33,476 | 38,940 |
| Landstar System Inc. | 17,132 | 462,157 | 809,144 |
| Estee Lauder Companies - Cl A | 3,200 | 111,735 | 123,744 |
| Lear Corporation | 2,600 | 44,095 | 57,746 |
| Lecroy Corp. | 5,800 | 82,430 | 83,230 |
| Leggett & Platt, Inc. | 4,892 | 104,734 | 122,202 |
| Legg Mason Inc. | 3,566 | 441,524 | 354,888 |
| Lehman Brothers Holding Inc | 14,140 | 333,541 | 921,221 |
| Lennar Corporation | 3,600 | 222,084 | 159,732 |
| Lennox International Inc | 9,800 | 214,211 | 259,504 |
| Lenox Group Inc | 8,600 | 176,475 | 60,974 |
| Levitt Corp. - Cl A | 4,400 | 71,053 | 70,400 |
| Lexmark Intl Group | 3,034 | 187,690 | 169,388 |
| Lifepoint Hospitals Inc | 5,800 | 176,084 | 186,354 |
| Lilly Eli & Co Com | 57,097 | 3,419,388 | 3,155,751 |
| Limited Brands | 9,640 | 122,477 | 246,688 |
| Lincoln National Corporation Indiana | 7,738 | 337,529 | 436,733 |
| Linear Technology Corp. | 8,139 | 378,972 | 272,575 |
| Lithia Motors Inc. | 7,400 | 121,392 | 224,368 |
| Liz Claiborne Inc | 2,723 | 69,353 | 100,914 |
| Lockheed Martin Corp | 10,116 | 493,819 | 725,722 |
| Loew'S Corp. | 12,312 | 232,107 | 436,460 |
| Louisiana Pacific Corporation | 5,053 | 96,050 | 110,661 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|---------------------------------|---------------|-------------|-------------------|
| Lowes Cos. Inc. | 38,859 | 1,689,763 | 2,357,576 |
| Lucent Technologies Inc. | 116,931 | 1,185,259 | 282,973 |
| M & T Bank Corp. | 2,400 | 230,032 | 283,008 |
| MAF Bancorp Inc. | 12,976 | 427,795 | 555,892 |
| MBIA, Inc. | 3,649 | 156,420 | 213,649 |
| MGIC Investment Corp. | 2,703 | 144,813 | 175,695 |
| Magellan Health Services Inc. | 14,700 | 478,401 | 666,057 |
| Mainsource Financial Group Inc. | 4,299 | 70,966 | 74,932 |
| Manor Care Inc | 2,283 | 66,751 | 107,118 |
| Marathon Oil Corp. | 92,279 | 6,662,502 | 7,686,841 |
| Marlin Business Services | 2,500 | 55,052 | 56,400 |
| Marsh & McLennan Cos | 13,980 | 392,294 | 375,922 |
| Marshall & Ilsley Corp. | 5,749 | 170,733 | 262,959 |
| Marriott Corporation | 8,762 | 151,511 | 334,007 |
| Masco Corporation | 56,939 | 1,711,412 | 1,687,672 |
| Mattel Inc. | 10,552 | 279,993 | 174,214 |
| Maui Land & Pineapple Co. | 1,100 | 39,229 | 41,580 |
| Maxim Integrated Products | 8,935 | 457,697 | 286,903 |
| Maxygen Inc. | 55,727 | 581,654 | 416,838 |
| Mcclatchy Co - Class A | 0 | 16 | 16 |
| Mccormick And Co Inc | 3,530 | 90,543 | 118,432 |
| Mc Donalds Corporation | 123,773 | 3,943,149 | 4,158,773 |
| Mcgraw Hill Inc. | 9,674 | 202,072 | 485,925 |
| Mckesson Hhoc Inc | 8,043 | 430,786 | 380,273 |
| Meadowbrook Insurance Group | 13,800 | 68,274 | 114,816 |
| Meadwestvaco Corp. | 4,575 | 137,979 | 127,780 |
| Medco Health Solutions Inc | 44,459 | 2,023,056 | 2,546,612 |
| Medicines Company | 49,700 | 1,034,399 | 971,635 |
| Medimmune Inc. | 6,394 | 329,837 | 173,277 |
| Medtronic Inc | 32,632 | 1,152,886 | 1,531,093 |
| Mellon Financial Corp. | 10,944 | 304,603 | 376,802 |
| Merchants Bancshares Inc | 1,800 | 26,736 | 43,470 |
| Merck & Co. Inc. | 59,574 | 2,154,793 | 2,170,281 |
| Meredith Corp. | 1,261 | 43,801 | 62,470 |
| Meridian Resource Corp. | 26,700 | 99,217 | 93,450 |
| Merrill Lynch | 90,480 | 6,011,362 | 6,293,789 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|------------------------------|---------------|-------------|-----------------------|
| Mesa Air Group, Inc. | 13,700 | 105,433 | 134,945 |
| Metlife Inc. | 21,081 | 719,061 | 1,079,558 |
| Microsoft Corporation | 508,212 | 11,922,017 | 11,841,340 |
| Micron Technology Inc. | 101,137 | 1,751,190 | 1,523,123 |
| Microsemi Corp | 55,083 | 917,403 | 1,342,924 |
| Midland Co. | 4,100 | 141,163 | 155,718 |
| Millipore Corporation | 1,230 | 48,394 | 77,478 |
| Mity Enterprises Inc. | 1,700 | 20,698 | 30,770 |
| Modine Manufacturing Co. | 7,100 | 172,362 | 165,856 |
| Molex Inc. | 4,548 | 166,992 | 152,676 |
| Molson Coors Brewing Co. | 1,622 | 97,397 | 110,101 |
| Monsanto Co | 26,531 | 913,666 | 2,233,645 |
| Monster Worldwide Inc | 3,136 | 141,715 | 133,782 |
| Moody'S Corporation | 6,822 | 86,302 | 371,526 |
| Morgan St Dean Witter | 29,078 | 1,041,332 | 1,838,020 |
| Morgans Hotel Group Co. | 25,000 | 452,216 | 389,000 |
| Motorola Inc. | 67,635 | 1,066,825 | 1,362,845 |
| Murphy Oil Co. | 4,300 | 240,241 | 240,198 |
| Mylan Laboratories | 6,500 | 157,886 | 130,000 |
| NBT Bancorp Inc. | 17,905 | 404,266 | 415,933 |
| NBTY Inc. | 1,600 | 38,026 | 38,256 |
| NCO Group Inc. | 15,245 | 350,848 | 403,078 |
| NCR Corporation | 4,640 | 84,658 | 170,010 |
| NN Inc. | 3,934 | 48,805 | 48,585 |
| Nymagic Inc. | 4,500 | 113,470 | 130,725 |
| Nash Finch Co. | 8,100 | 223,692 | 172,449 |
| National City Corp. | 16,014 | 488,582 | 579,547 |
| National Home Health Care | 1,505 | 12,777 | 14,674 |
| National Interstate Corp. | 3,100 | 71,263 | 84,072 |
| National-Oilwell Inc. | 4,500 | 222,723 | 284,940 |
| National Semiconductor Corp. | 113,356 | 1,801,595 | 2,703,541 |
| Natl Western Life Ins | 1,200 | 136,272 | 287,580 |
| Navistar International | 22,331 | 626,745 | 549,566 |
| Navigant International Inc. | 10,399 | 136,654 | 166,696 |
| Nektar Therapeutics | 40,700 | 719,784 | 746,438 |
| Network Appliance Inc. | 10,207 | 179,851 | 360,307 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|------------------------------|---------------|-------------|-----------------------|
| New Jersey Resources Corp. | 8,500 | 372,646 | 397,630 |
| New York & Co. | 3,300 | 52,388 | 32,241 |
| New York Times Co. | 3,824 | 126,703 | 93,841 |
| Newell Rubbermaid Inc. | 6,955 | 238,855 | 179,648 |
| Newfield Exploration Company | 40,300 | 1,432,522 | 1,972,282 |
| Newmont Mining Corporation | 12,101 | 357,837 | 640,506 |
| News Corp | 64,800 | 1,200,861 | 1,242,864 |
| Nicor, Inc. | 8,317 | 255,522 | 345,156 |
| Nike Inc - Cl B | 5,096 | 265,974 | 412,776 |
| Nisource Inc. | 6,660 | 154,608 | 145,454 |
| Nordstrom, Inc. | 31,690 | 1,004,583 | 1,156,685 |
| Norfolk Southern | 37,287 | 1,429,193 | 1,984,414 |
| North Fork Bancorporation | 14,359 | 399,394 | 433,211 |
| North Pittsburgh Systems | 2,100 | 43,513 | 57,876 |
| North Valley Bancorp | 2,850 | 37,943 | 49,562 |
| Northeast Utilities | 4,900 | 94,046 | 101,283 |
| Northern Trust Co. | 5,591 | 237,473 | 309,182 |
| Northrim Bancorp Inc. | 1,870 | 14,154 | 46,937 |
| Northrop Grumman Corporation | 9,978 | 503,642 | 639,191 |
| Northwest Pipe Company | 3,500 | 86,230 | 88,550 |
| Novell Inc. | 11,143 | 71,447 | 73,878 |
| Novellus Systems, Inc. | 4,102 | 173,470 | 101,319 |
| Noven Pharmaceuticals Inc. | 30,800 | 514,425 | 551,320 |
| Nuance Communications Inc. | 145,300 | 982,635 | 1,461,718 |
| Nucor Corp. | 8,332 | 124,240 | 452,011 |
| Nvidia Corp. | 9,470 | 195,432 | 201,616 |
| OSI Restaurant Partners Inc | 77,915 | 3,426,145 | 2,695,859 |
| Occidental Petroleum Corp. | 11,547 | 400,587 | 1,184,145 |
| Oceanfirst Financial Corp. | 7,800 | 184,891 | 173,316 |
| Odyssey Re Holdings Corp. | 35,600 | 840,783 | 938,060 |
| Office Depot Inc. | 86,780 | 2,683,164 | 3,297,640 |
| Officemax Inc | 2,079 | 68,022 | 84,719 |
| Ohio Casualty Corp. | 21,500 | 506,217 | 639,195 |
| The Oilgear Co. | 1,000 | 10,108 | 13,230 |
| Olin Corporation | 32,000 | 621,753 | 573,760 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|-------------------------------|---------------|-------------|-----------------------|
| Omnicom Group, Inc. | 4,882 | 265,089 | 434,937 |
| Omnivision Technologies | 12,615 | 164,818 | 266,429 |
| Open Solutions Inc. | 14,900 | 394,030 | 396,489 |
| Opinion Research Corp. | 2,500 | 17,528 | 14,900 |
| Oracle Systems Corporation | 105,182 | 914,026 | 1,524,087 |
| Oregon Steel Mills Inc. | 21,500 | 742,795 | 1,089,190 |
| Oriental Financial Group | 11,800 | 165,088 | 150,568 |
| Otter Tail Corp. | 1,000 | 26,115 | 27,330 |
| Outlook Group Corp. | 1,500 | 15,877 | 19,995 |
| Pab Bankshares, Inc. | 4,500 | 58,124 | 83,250 |
| P G & E Corporation | 10,279 | 243,600 | 403,759 |
| PFF Bancorp Inc. | 11,640 | 100,037 | 385,982 |
| P.F. Changs China Bistro Inc. | 8,021 | 358,653 | 304,958 |
| PMC Sierra Inc | 5,285 | 134,448 | 49,679 |
| PNC Financial Services Group | 7,373 | 353,395 | 517,363 |
| PPG Industries | 4,305 | 235,643 | 284,130 |
| PPL Corporation | 9,650 | 148,355 | 311,695 |
| Paccar, Inc. | 5,022 | 154,051 | 413,712 |
| Pacific Sunwear Of Calif | 16,400 | 372,101 | 294,052 |
| Pactiv Corporation | 4,045 | 129,687 | 100,114 |
| Pall Corp. | 3,120 | 68,356 | 87,360 |
| Parametric Technology Corp | 2,682 | 104,068 | 34,088 |
| Park National Corp. | 1,100 | 104,508 | 108,691 |
| Parker-Hannifin Corp | 2,996 | 111,538 | 232,490 |
| Parkvale Financial Corp. | 2,600 | 57,996 | 76,050 |
| Patterson Cos Inc. | 3,700 | 147,797 | 129,241 |
| Paychex Inc. | 9,748 | 264,278 | 379,977 |
| Pediatric Medical Group Inc | 18,492 | 532,727 | 837,688 |
| Penney J C Inc | 6,823 | 270,947 | 460,621 |
| Pennfed Financial Svcs Inc. | 694 | 4,500 | 12,943 |
| Penns Wood Bancorp Inc. | 1,560 | 57,655 | 60,029 |
| Peoples Bancorp Inc. | 5,926 | 147,265 | 176,832 |
| Peoples Energy Corp | 16,906 | 639,078 | 607,094 |
| Pepsi Bottling Group Inc. | 4,354 | 99,506 | 139,981 |
| Pepsico Inc. Capital Stock | 92,378 | 4,035,649 | 5,546,375 |
| Perkinelmer Inc. | 47,199 | 903,237 | 986,459 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|-------------------------------|---------------|-------------|-----------------------|
| Perrigo Co. | 33,500 | 534,996 | 539,350 |
| Petco Animal Supplies Inc. | 14,500 | 310,994 | 296,235 |
| Pfizer Inc Com | 271,766 | 7,148,263 | 6,378,348 |
| Phelps Dodge | 5,314 | 173,843 | 436,598 |
| Phoenix Companies Inc. | 10,500 | 147,728 | 147,840 |
| Photronics Inc. | 12,700 | 201,912 | 187,960 |
| Pinnacle Entertainment Inc. | 40,100 | 927,911 | 1,229,065 |
| Pinnacle West Capital | 2,315 | 87,053 | 92,392 |
| Pitney Bowes, Inc. | 5,941 | 208,319 | 245,363 |
| Plantronics, Inc. | 9,800 | 213,281 | 217,658 |
| Plum Creek Timber Co. - Reit | 4,640 | 135,783 | 164,720 |
| Pogo Producing Co. | 1,400 | 56,070 | 64,540 |
| Polaris Industries Inc. | 4,000 | 193,035 | 173,200 |
| Polyone Corporation | 45,900 | 310,454 | 403,002 |
| Portalplayer Inc. | 1,600 | 34,344 | 15,696 |
| Praxair Inc. | 8,342 | 226,493 | 450,468 |
| Prepaid Legal Services Inc. | 2,800 | 66,165 | 96,600 |
| Premiere Global Services Inc. | 22,200 | 172,069 | 167,610 |
| Presidential Life | 14,000 | 220,512 | 344,120 |
| T Rowe Price Group Inc. | 6,394 | 103,553 | 241,757 |
| Principal Financial Group | 7,802 | 219,238 | 434,181 |
| Procentury Corp. | 6,300 | 65,189 | 86,373 |
| Procter & Gamble Co Com | 124,709 | 5,298,821 | 6,933,820 |
| Progress Energy Inc. | 7,308 | 295,006 | 313,294 |
| Progressive Corporation Ohio | 21,620 | 227,832 | 555,850 |
| Prologis Trust | 6,440 | 210,897 | 335,653 |
| Provident Bankshares Corp. | 7,800 | 231,604 | 283,842 |
| Prudential Financial Inc. | 13,442 | 462,863 | 1,044,443 |
| Public Service Enterprise Gp | 69,561 | 4,449,995 | 4,599,373 |
| Public Storage, Inc | 2,600 | 172,172 | 197,340 |
| Puget Energy Inc. | 31,700 | 679,375 | 680,916 |
| Pulte Corp. | 5,796 | 44,964 | 166,867 |
| Qlogic Corp. | 4,960 | 181,285 | 85,510 |
| Qualcomm Inc. | 175,044 | 7,020,716 | 7,014,013 |
| Quest Diagnostics Inc | 4,444 | 129,693 | 266,284 |
| Quest Software Inc. | 37,700 | 593,010 | 529,308 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--------------------------------|---------------|-------------|-----------------------|
| Qwest Communications Intl. | 41,901 | 1,250,750 | 338,979 |
| Radioshack Corp | 20,572 | 368,321 | 288,008 |
| Raytheon Company | 11,613 | 484,696 | 517,591 |
| Regions Financial Corp | 11,989 | 341,165 | 397,076 |
| Renasant Corp | 4,900 | 157,018 | 197,715 |
| Rent-A-Center Inc | 36,000 | 745,659 | 894,960 |
| Republic Airways Holdings Inc. | 23,400 | 316,453 | 398,268 |
| Republic Bancorp | 41,431 | 469,997 | 513,330 |
| Republic First Bancorp Inc. | 135 | 310 | 1,843 |
| Resources Connection Inc. | 54,709 | 929,561 | 1,368,819 |
| Rex Stores Corp. | 5,075 | 49,460 | 72,826 |
| Reynolds American Inc | 2,239 | 140,632 | 258,157 |
| Robert Half Intl Inc. | 4,315 | 119,675 | 181,230 |
| Rockwell Automation | 4,601 | 86,054 | 331,318 |
| Rockwell Collins | 4,516 | 106,698 | 252,309 |
| Rohm & Haas Company | 4,331 | 181,444 | 217,070 |
| Rowan Companies Inc. | 3,475 | 97,502 | 123,675 |
| Ruddick Corp. | 22,500 | 332,868 | 551,475 |
| Russell Corporation | 2,100 | 34,319 | 38,136 |
| Ryan's Restaurant Group Inc | 20,950 | 202,484 | 249,515 |
| Ryder System Inc. | 1,592 | 45,631 | 93,021 |
| SFBC International Inc. | 4,000 | 66,273 | 60,640 |
| SI International Inc. | 31,900 | 817,903 | 978,054 |
| SLM Corp | 11,570 | 250,074 | 612,284 |
| Southwest Securities Group | 4,800 | 114,723 | 115,776 |
| Sabre Holdings Inc. | 3,634 | 132,788 | 79,948 |
| Safeco Corp | 3,510 | 141,633 | 197,789 |
| Safety Insurance Group, Inc. | 7,500 | 146,144 | 356,625 |
| Safeway, Inc. | 11,596 | 551,391 | 301,496 |
| St Jude Medical Inc | 9,758 | 160,741 | 316,354 |
| St Paul Companies Inc | 19,235 | 759,500 | 857,496 |
| Sandisk Corp. | 53,800 | 1,927,637 | 2,742,724 |
| Sanmina-Sci Corp | 14,836 | 362,538 | 68,246 |
| Sara Lee Corporation | 87,238 | 1,653,592 | 1,397,553 |
| Schering Plough | 39,957 | 1,043,721 | 760,382 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|--------------------------------|---------------|-------------|-----------------------|
| Schiff Nutrition International | 5,100 | 18,722 | 34,068 |
| Schlumberger Limited | 31,938 | 908,365 | 2,079,483 |
| Scholastic Corp. | 12,800 | 394,083 | 332,416 |
| Schwab (Charles) Corp. | 29,451 | 300,918 | 470,627 |
| Scripps Co. (E.W.) - Cl A | 2,300 | 109,089 | 99,222 |
| Seabright Insurance Holdings | 4,700 | 72,642 | 75,717 |
| Sealed Air Corp. | 2,141 | 100,492 | 111,503 |
| Sears Holdings Corp | 20,075 | 2,779,177 | 3,108,413 |
| Semtech Corp. | 20,079 | 378,009 | 290,142 |
| Sempra Energy | 7,262 | 202,653 | 330,276 |
| Sensient Technologies Corp. | 28,300 | 551,743 | 591,753 |
| Sherwin Williams Co. | 3,524 | 103,452 | 167,320 |
| Sierra Bancorp | 600 | 9,878 | 15,732 |
| Sigma-Aldrich Corporation | 1,798 | 70,519 | 130,607 |
| Sigmatron International Inc. | 1,800 | 20,931 | 15,138 |
| Signature Bank | 18,100 | 598,612 | 586,078 |
| Silgan Holdings Inc. | 17,000 | 166,958 | 629,170 |
| Simmons First Natl Corp. | 3,800 | 41,616 | 110,238 |
| Simon Property Group Inc. | 5,294 | 223,000 | 439,084 |
| Sky Financial Group Inc | 9,000 | 225,881 | 212,490 |
| Skywest Inc. | 25,000 | 347,789 | 620,000 |
| Smart & Final Inc. | 8,100 | 91,284 | 136,404 |
| JM Smucker Company-New | 3,300 | 133,497 | 147,510 |
| Snap-On, Inc. | 1,476 | 40,306 | 59,660 |
| Soletron Corp. | 24,547 | 404,730 | 83,951 |
| Sonic Automotive Inc. | 13,400 | 296,213 | 297,212 |
| Sonic Solutions | 51,667 | 905,146 | 852,506 |
| South Jersey Industries | 9,200 | 186,521 | 251,988 |
| Southern Co. | 20,806 | 426,457 | 666,832 |
| Southwest Air | 18,556 | 180,514 | 303,762 |
| Southwest Bancorp Inc. | 3,000 | 22,863 | 76,500 |
| Sovereign Bancorp Inc. | 9,469 | 199,859 | 192,313 |
| Spectralink Corp. | 2,436 | 19,188 | 21,486 |
| Spectrum Brands Inc | 19,700 | 386,973 | 254,524 |
| Speedway Motorsports Inc. | 2,700 | 101,125 | 101,898 |
| Sprint Corporation | 79,670 | 1,797,640 | 1,592,603 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|---------------------------------|---------------|-------------|-------------------|
| Stage Stores Inc. | 15,500 | 264,332 | 511,500 |
| Stancorp Financial Group | 4,800 | 172,069 | 244,368 |
| Standard Pacific Corp. | 2,300 | 14,831 | 59,110 |
| Standex International Corp. | 5,900 | 161,219 | 179,065 |
| Stanley Furniture Co Inc. | 6,000 | 70,809 | 143,820 |
| Stanley Works | 2,166 | 86,365 | 102,279 |
| Staples Inc.(Retail & Delivery) | 20,275 | 285,491 | 493,088 |
| Starbucks Corp. | 20,010 | 190,013 | 755,578 |
| Starwood Hotels & Resorts | 45,989 | 2,514,674 | 2,774,976 |
| State Street Corp. | 8,431 | 288,170 | 489,757 |
| Steinway Musical Instruments | 2,600 | 69,857 | 63,752 |
| Sterling Bancshares Inc./Tx | 44,342 | 670,022 | 831,413 |
| Sterling Finl Corp./Spokane | 3,910 | 22,011 | 119,294 |
| Stewart Info Svcs | 7,800 | 151,951 | 283,218 |
| Stone Energy Corp. | 16,700 | 689,365 | 777,385 |
| Strattec Security Corp. | 1,800 | 79,713 | 89,658 |
| Stryker Corporation | 7,872 | 215,985 | 331,490 |
| Summa Industries | 1,900 | 17,828 | 18,715 |
| Sun Microsystems | 93,416 | 611,684 | 387,676 |
| Sunoco Inc. | 3,588 | 59,552 | 248,613 |
| Sun Trust Bank Inc | 51,483 | 3,782,676 | 3,926,094 |
| Superior Essex Inc. | 2,700 | 47,802 | 80,811 |
| Super Valu Stores | 5,286 | 113,664 | 162,280 |
| Supreme Inds Inc. | 4,800 | 37,733 | 34,464 |
| Susquehanna Bancshares Inc. | 12,200 | 293,960 | 291,580 |
| Swift Transportation Co., Inc. | 6,100 | 115,042 | 193,736 |
| Symantec Corp. | 28,115 | 1,056,461 | 436,907 |
| Symbol Technologies, Inc. | 6,758 | 127,363 | 72,919 |
| Synovus Financial Corp. | 7,701 | 174,033 | 206,233 |
| Synnex Corp. | 17,800 | 315,082 | 337,488 |
| Sysco Corp | 16,477 | 271,295 | 503,537 |
| Teco Energy Inc. | 4,756 | 106,120 | 71,055 |
| Tessco Technologies Inc. | 1,970 | 26,844 | 39,479 |
| TJX Companies Inc. | 12,448 | 114,401 | 284,561 |
| TRW Automotive Holdings Corp. | 8,800 | 205,263 | 240,064 |
| TSR Inc. | 2,100 | 13,086 | 9,086 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|------------------------------|---------------|-------------|-----------------------|
| TXU Corporation | 59,896 | 2,443,705 | 3,581,182 |
| Talbots Inc. | 8,900 | 199,622 | 164,205 |
| Talk America Holdings Inc. | 15,300 | 95,368 | 94,707 |
| Target Corp | 23,700 | 474,300 | 1,158,219 |
| Taylor Capital Group Inc. | 1,800 | 37,657 | 73,458 |
| Tektronix, Inc. | 2,152 | 45,553 | 63,312 |
| Tellabs, Inc. | 13,257 | 297,176 | 176,451 |
| Temple-Inland, Inc. | 3,342 | 99,348 | 143,272 |
| Tempur-Pedic International | 41,800 | 509,416 | 564,718 |
| Tenet Healthcare Corporation | 11,835 | 249,283 | 82,608 |
| Teradyne, Inc. | 64,191 | 1,195,263 | 894,181 |
| Texas Instruments, Inc. | 159,861 | 3,918,202 | 4,842,190 |
| Texas Roadhouse Inc. | 67,126 | 892,140 | 907,544 |
| Textron, Inc. | 15,127 | 1,254,656 | 1,394,407 |
| Theravance Inc. | 10,170 | 199,688 | 232,690 |
| Thermo Electronics Corp | 4,103 | 99,088 | 148,693 |
| 3 M Co | 36,726 | 2,369,896 | 2,966,359 |
| Tiffany & Co. | 3,682 | 110,379 | 121,580 |
| Timberland Bancorp Inc. | 1,100 | 14,746 | 34,342 |
| Timberland Company | 19,400 | 637,315 | 506,340 |
| Time Warner Inc | 115,664 | 3,450,517 | 2,000,987 |
| Timken Co. | 4,800 | 120,860 | 160,848 |
| Torchmark Corp | 2,944 | 97,843 | 178,760 |
| Transdigm Group, Inc. | 28,920 | 631,380 | 692,634 |
| Transmontaigne Inc. | 25,800 | 158,922 | 289,218 |
| Triad Guaranty Inc. | 7,000 | 324,150 | 342,160 |
| Tribune Co. | 7,137 | 237,561 | 231,453 |
| Trico Bancshares | 6,500 | 54,492 | 177,970 |
| Trustco Bank Corp. Ny | 3,900 | 42,677 | 42,978 |
| Trustmark Corp. | 25,872 | 734,021 | 801,256 |
| Tuesday Morning Corp. | 16,100 | 299,648 | 211,715 |
| Tupperware Corporation | 31,500 | 658,461 | 620,235 |
| 21St Century Insurance Group | 23,700 | 331,114 | 341,280 |
| Tyco International Ltd. | 54,348 | 1,592,230 | 1,494,570 |
| Tyson Foods Inc | 6,500 | 115,034 | 96,590 |
| UST Inc | 4,241 | 126,866 | 191,651 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|----------------------------------|---------------|-------------|-----------------------|
| US Bancorp | 153,180 | 4,435,810 | 4,730,198 |
| Unico American Corp | 2,200 | 16,605 | 23,518 |
| Unifirst Corp. | 2,100 | 65,216 | 72,450 |
| Union Pacific Corporation | 27,844 | 2,364,166 | 2,588,378 |
| Unionbanca Corporation | 38,958 | 2,691,897 | 2,516,297 |
| Unisys Corp. | 8,414 | 122,121 | 52,840 |
| United Auto Group Inc. | 38,400 | 264,512 | 819,840 |
| United Community Financial | 18,015 | 200,366 | 216,180 |
| United Bankshares Inc. | 4,300 | 130,569 | 157,509 |
| United Fire & Casualty Co. | 5,120 | 144,646 | 154,266 |
| United Industrial Corp. | 2,000 | 31,787 | 90,500 |
| United Online Inc. | 38,900 | 429,012 | 466,800 |
| United Parcel Service - Cl B | 29,441 | 1,960,930 | 2,423,878 |
| United Security Bancshares | 2,000 | 43,833 | 59,160 |
| United States Steel Corp. | 3,116 | 79,188 | 218,494 |
| United Technologies | 80,603 | 4,074,793 | 5,111,842 |
| Unitedhealth Group Inc. | 66,500 | 1,830,547 | 2,977,870 |
| Universal Compression Hldgs. | 12,351 | 470,765 | 777,742 |
| Universal Corporation | 15,700 | 557,830 | 584,354 |
| Universal Forest Products | 1,800 | 34,532 | 112,914 |
| Universal Health Services - Cl B | 25,472 | 1,247,363 | 1,280,223 |
| Univision Communications | 6,014 | 221,584 | 201,469 |
| Univest Corp. Of Pennsylvania | 2,800 | 77,153 | 77,336 |
| Unumprovident Corp | 7,498 | 245,352 | 135,939 |
| Urban Outfitters Inc | 87,600 | 2,310,219 | 1,532,124 |
| V F Corporation | 2,740 | 92,500 | 186,101 |
| Valassis Communication | 1,600 | 45,655 | 37,744 |
| Valero Energy Corp. | 16,600 | 397,792 | 1,104,232 |
| Valueclick Inc. | 41,089 | 774,401 | 630,716 |
| Varian Semiconductor Equip. | 19,300 | 570,414 | 629,373 |
| Varian Medical Systems Inc. | 13,200 | 680,499 | 625,020 |
| Vectren Corporation | 19,800 | 513,759 | 539,550 |
| Versign Inc. | 6,900 | 163,751 | 159,873 |
| Verizon Communications | 78,337 | 2,910,729 | 2,623,506 |
| Vertrue Inc | 5,900 | 180,928 | 253,877 |
| Viacom Inc - Class B | 20,868 | 656,547 | 747,909 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|-------------------------------|---------------|-------------|-----------------------|
| Vornado Realty Trust | 3,000 | 254,700 | 292,650 |
| Vulcan Materials Co. | 2,576 | 116,624 | 200,928 |
| WCI Communities Inc. | 1,200 | 27,012 | 24,168 |
| WGL Holdings Inc. | 25,400 | 710,009 | 735,330 |
| WMS Industries Inc. | 49,300 | 1,423,701 | 1,350,327 |
| WPS Resources Corp. | 20,300 | 990,581 | 1,006,880 |
| WSFS Financial Corp. | 1,900 | 23,444 | 116,755 |
| Wabash National Corp. | 12,300 | 246,208 | 188,928 |
| Wachovia Corp. | 44,598 | 1,665,008 | 2,411,860 |
| Wal-Mart Stores Inc. | 220,470 | 9,525,896 | 10,620,040 |
| Walgreen Co. | 26,995 | 623,701 | 1,210,456 |
| Warnaco Group Inc. | 48,385 | 1,022,238 | 903,832 |
| Washington Banking Co. | 1,840 | 13,980 | 40,627 |
| Washington Federal Inc | 21,810 | 516,050 | 505,774 |
| Washington Mutual Inc. | 101,164 | 4,116,919 | 4,611,055 |
| Washington Trust Bancorp | 2,900 | 72,754 | 80,388 |
| Waste Management Inc. | 14,999 | 588,332 | 538,164 |
| Waters Corp. | 2,852 | 104,488 | 126,629 |
| Watson Pharmaceutical Inc. | 2,815 | 126,282 | 65,533 |
| Webster Financial Corp. | 6,600 | 311,636 | 313,104 |
| Wellpoint Inc | 33,814 | 1,740,402 | 2,460,645 |
| Wells Fargo Company(1998) | 45,198 | 1,742,534 | 3,031,882 |
| Wendy's International, Inc. | 3,078 | 95,532 | 179,417 |
| Werner Enterprises Inc. | 5,600 | 95,178 | 113,512 |
| Wesbanco Inc. | 6,200 | 170,222 | 192,138 |
| West Bancorporation | 4,300 | 74,000 | 80,281 |
| West Coast Bancorp/Oregon | 2,100 | 31,431 | 61,887 |
| Westar Energy Inc. | 26,700 | 568,886 | 562,035 |
| Westell Technologies Inc. - A | 34,100 | 140,186 | 74,679 |
| Weyerhaeuser Co. | 6,655 | 362,702 | 414,274 |
| Whirlpool Corporation | 1,977 | 120,542 | 163,399 |
| Whole Foods Market Inc | 4,000 | 304,372 | 258,560 |
| Williams Companies Inc | 15,431 | 331,953 | 360,468 |
| Wilsons Leather Experts | 23,900 | 94,108 | 98,229 |
| Wireless Telecom Group Inc. | 12,200 | 34,214 | 32,330 |
| Witness Systems Inc. | 57,189 | 1,028,724 | 1,153,502 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF DOMESTIC STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|-------------------------------|-------------------|-----------------------|-----------------------|
| World Acceptance Corp | 8,200 | 45,617 | 291,264 |
| Worthington Industries | 45,900 | 812,973 | 961,605 |
| Wrigley (Wm.) Jr. Co. | 6,010 | 203,437 | 272,614 |
| Wyeth | 36,682 | 1,405,119 | 1,629,048 |
| XTO Energy Inc. | 9,300 | 251,140 | 411,711 |
| Xcel Energy Inc | 10,113 | 254,310 | 193,967 |
| Xilinx Inc | 8,858 | 333,320 | 200,634 |
| Xerox Corporation | 25,024 | 594,517 | 348,084 |
| YRC Worldwide Inc. | 7,200 | 297,943 | 303,192 |
| Yadkin Vy Bk & Tr Elkin N C | 1,100 | 14,487 | 15,576 |
| Yahoo! Inc. | 54,500 | 2,262,904 | 1,798,500 |
| Yankee Candle Co. | 12,400 | 319,895 | 310,124 |
| Yum! Brands Inc | 7,418 | 133,069 | 372,903 |
| Zale Corp. | 100,200 | 2,577,891 | 2,413,818 |
| Zimmer Holdings Inc. | 6,645 | 204,551 | 376,904 |
| Zions Bancorporation | 2,286 | 124,285 | 178,171 |
| Zymogenetics Inc. | 14,350 | 213,018 | 272,220 |
| First Bank Corp (Frct Shares) | 117,750 | - | - |
| Ace Ltd. | 8,214 | 322,675 | 415,546 |
| Cooper Industries Ltd | 2,365 | 105,244 | 219,756 |
| Ingersoll-Rand Co | 58,738 | 2,306,109 | 2,512,812 |
| Nabors Industries Ltd | 8,588 | 218,256 | 290,189 |
| Noble Corp | 3,789 | 167,326 | 281,977 |
| UTI Worldwide Inc. | 73,403 | 1,789,011 | 1,851,958 |
| Transocean | 8,611 | 317,813 | 691,636 |
| Weatherford Intl. Ltd. | 8,826 | 272,591 | 437,946 |
| XI Capital Ltd. | 4,664 | 365,945 | 285,903 |
| | <u>22,617,064</u> | <u>\$ 651,371,313</u> | <u>\$ 753,696,612</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF FOREIGN STOCKS
JUNE 30, 2006

| | <u>Shares</u> | | <u>Cost</u> | | <u>Fair Value</u> |
|--------------------------------|---------------|----|-------------|----|-----------------------|
| Advantest Corp. | 19,600 | \$ | 1,592,335 | \$ | 1,999,178 |
| Astellas Pharma Co | 65,300 | | 2,100,993 | | 2,399,160 |
| Bp Plc | 230,000 | | 2,595,259 | | 2,682,125 |
| Bg Group Plc. | 353,000 | | 1,380,121 | | 4,717,138 |
| Colruyt Nv | 18,000 | | 1,046,313 | | 2,810,216 |
| China Mobile Ltd. | 387,000 | | 1,185,392 | | 2,212,283 |
| Clp Holdings Limited | 485,000 | | 1,874,292 | | 2,838,065 |
| Canon Inc. | 65,250 | | 1,066,927 | | 3,202,139 |
| Cnooc Ltd. | 4,750,000 | | 2,024,579 | | 3,791,683 |
| Daikin Industries Ltd. | 92,000 | | 2,271,685 | | 3,195,031 |
| Denso Corporation | 53,000 | | 803,637 | | 1,733,981 |
| Ericsson Lm-B | 380,000 | | 1,192,330 | | 1,255,509 |
| Eisai Co. Ltd. | 57,000 | | 1,133,350 | | 2,567,904 |
| Fanuc | 33,000 | | 1,411,479 | | 2,967,590 |
| Hennes & Mauritz Ab-B Shs | 45,300 | | 829,265 | | 1,754,534 |
| Hirose Electric Co. Ltd. | 18,500 | | 1,904,331 | | 2,249,486 |
| Honda Motor Co. Ltd. | 94,000 | | 1,561,645 | | 2,984,910 |
| Hong Kong & China Gas | 1,380,000 | | 1,470,815 | | 3,029,355 |
| Hutchison Whampoa | 275,000 | | 2,000,979 | | 2,510,300 |
| Inditex | 41,500 | | 924,011 | | 1,750,050 |
| Kingfisher Plc | 403,000 | | 1,946,306 | | 1,777,704 |
| Kao Corporation | 85,000 | | 1,866,671 | | 2,226,961 |
| Keyence Corporation | 12,320 | | 1,331,763 | | 3,149,109 |
| L'Oreal | 25,900 | | 1,766,205 | | 2,445,693 |
| LVMH (Moet-Hennessy Louis Vui) | 27,450 | | 1,041,625 | | 2,723,678 |
| Lend Lease Corp Ltd | 203,000 | | 1,784,384 | | 2,109,956 |
| Morrison (Wm.) Supermarkets | 400,000 | | 1,741,600 | | 1,438,950 |
| Mitsubishi Tokyo Financial | 250 | | 2,894,752 | | 3,499,103 |
| Millea Holdings Inc. | 164 | | 1,697,034 | | 3,055,767 |
| Mitsubishi Estate Co. Ltd. | 205,000 | | 1,896,537 | | 4,357,696 |
| Murata Manufacturing Co. Ltd. | 13,600 | | 894,557 | | 883,943 |
| Nokia Ab | 78,900 | | 764,979 | | 1,610,132 |
| NTT Doemo, Inc | 1,600 | | 2,847,705 | | 2,351,397 |
| Nikko Securities Co. Ltd. | 136,500 | | 2,264,043 | | 1,748,117 |
| Ntt Corp. | 260 | | 1,720,906 | | 1,275,948 |
| Nitto Denko Corp. | 19,000 | | 1,328,623 | | 1,354,590 |
| Novo Nordisk A/S-B | 52,500 | | 1,277,762 | | 3,343,261 |

(Continued)

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF FOREIGN STOCKS
JUNE 30, 2006

| | <u>Shares</u> | <u>Cost</u> | <u>Fair Value</u> |
|------------------------------|-------------------|----------------------|-----------------------|
| Novartis Ag - Reg | 47,000 | 2,634,736 | 2,539,918 |
| Rio Tinto Plc | 18,800 | 584,609 | 994,118 |
| Reckitt Benckiser Plc. | 71,000 | 1,341,673 | 2,652,624 |
| Rohm Company | 24,700 | 2,294,558 | 2,210,392 |
| Suncor Energy Inc. | 40,000 | 1,171,562 | 3,249,348 |
| Secom | 49,000 | 1,854,745 | 2,318,943 |
| Shin-Etsu Chemical Co. | 58,000 | 1,155,693 | 3,155,841 |
| Sony Corp. | 50,300 | 2,122,289 | 2,222,062 |
| Television Francaise (T.F.1) | 85,070 | 2,715,788 | 2,773,756 |
| Takeda Chemical Inds | 52,000 | 1,428,004 | 3,238,770 |
| Woodside Petroleum Limited | 139,465 | 678,126 | 4,559,083 |
| | <u>11,142,229</u> | <u>\$ 77,416,973</u> | <u>\$ 121,917,501</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF SHORT TERM INVESTMENTS
JUNE 30, 2006

Automatic Sweep Vehicles

Northern Trust Collective Government STIF

\$ 52,973,614

TOTAL AUTOMATIC SWEEP VEHICLES

52,973,614

U.S. Treasury Bill

326,492

Money Market

1,752,707

TOTAL SHORT TERM INVESTMENTS

\$ 55,052,813

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF REAL ESTATE HELD FOR INVESTMENT
JUNE 30, 2006

| | <u>Cost</u> | <u>Fair Value</u> |
|---------------------------------|---------------------|-----------------------|
| Real Estate Held for Investment | \$ <u>2,163,383</u> | \$ <u>2,249,936</u> |

STATE OF LOUISIANA
SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
YEAR ENDED JUNE 30, 2006

EXPENSES:

| | |
|----------------------|------------------|
| Salaries | \$ 1,803,552 |
| Overtime pay | 32,820 |
| Related benefits | 483,283 |
| Student labor | 9,033 |
| Compensation - board | <u>7,575</u> |
| Total expenses | <u>2,336,263</u> |

OPERATING EXPENSES:

| | |
|--|---------------|
| Professional improvement - staff and board | 11,440 |
| Travel - board | 29,424 |
| Travel - staff | <u>9,612</u> |
| Total operating expenses | <u>50,476</u> |

OPERATING SERVICES:

| | |
|--------------------------|----------------|
| Printing | 21,761 |
| Equipment maintenance | 43,243 |
| Building | 280,664 |
| Dues | 4,400 |
| Postage | 107,289 |
| Telephone | 43,298 |
| Insurance | 11,779 |
| Legal | <u>8,355</u> |
| Total operating services | <u>520,789</u> |

SUPPLIES:

| | |
|----------------|---------------|
| Office | 19,208 |
| Computer | <u>48,588</u> |
| Total supplies | <u>67,796</u> |

PROFESSIONAL SERVICES:

| | |
|-----------------------------|---------------|
| Medical | 6,685 |
| Actuary | 49,800 |
| Audit | 23,700 |
| Records imaging | <u>9,970</u> |
| Total professional services | <u>90,155</u> |

INTERAGENCY TRANSFERS:

| | |
|-----------------------------|---------------|
| Civil Service | 6,432 |
| Attorney general | <u>88,549</u> |
| Total interagency transfers | <u>94,981</u> |

OTHER CHARGES:

| | |
|---------------------|----------------|
| Legiscon | 3,350 |
| Miscellaneous | 54,585 |
| Computer software | <u>58,246</u> |
| Total other charges | <u>116,181</u> |

TOTAL EXPENSES

\$ 3,276,641



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

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MEMBERS
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
A FINANCIAL STATEMENT AUDIT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

September 19, 2006

Board of Trustees
State of Louisiana School
Employees' Retirement System
Baton Rouge, Louisiana

Board of Trustees:

We have audited the financial statements of the State of Louisiana School Employees' Retirement System (Plan), a component unit of the State of Louisiana, as of and for the year ended June 30, 2006, and have issued our report thereon dated September 19, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Louisiana School Employees' Retirement System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Louisiana School Employees' Retirement System's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is noted below.

During the audit, it was noted that a bank account had not been reconciled for several months during the year. Bank reconciliations not prepared in a timely manner may result in transactions not being booked into the financial records for the period in which they occurred. The performance of a bank reconciliation functions as a control over cash receipts and disbursements. The performance of timely bank reconciliations is necessary to prevent or detect errors and/or misappropriations in a timely manner. We recommend that the System prepare monthly bank reconciliations in a timely manner.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Louisiana School Employees' Retirement System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the use of the Board of Trustees, State of Louisiana Division of Administration, Office of the Legislative Auditor of the State of Louisiana, and management and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

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(1921-1999)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA C.P.A.'S

September 19, 2006

Legislative Auditor
Engagement Processing
Post Office Box 94397
Baton Rouge, LA 70804-9373

Dear Sir or Madam:

SCHEDULES AND DATA COLLECTION FORM
SECTION 1: SUMMARY OF AUDITOR'S REPORTS

A. FINANCIAL STATEMENT AUDIT OPINION:

We have audited the financial statements of the State of Louisiana School Employees' Retirement System as of and for the year ended June 30, 2006 and have issued our report thereon dated September 19, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit as of June 30, 2006 resulted in an unqualified opinion.

B. REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS:

Internal Control:

Material weaknesses – none noted

Reportable conditions – See current year finding 06-01 below

Compliance:

Noncompliance material to financial statements - none noted

C. FEDERAL AWARDS:

N/A

SECTION 2: FINANCIAL STATEMENT FINDINGS

A. CURRENT YEAR FINDINGS:

06-01 Bank Reconciliations

During the audit, it was noted that a bank account had not been reconciled for several months during the year. Bank reconciliations not prepared in a timely manner may result in transactions not being booked into the financial records for the period in which they occurred. The performance of a bank reconciliation functions as a control over cash receipts and disbursements. The performance of timely bank reconciliations is necessary to prevent or detect errors and/or misappropriations in a timely manner. We recommend that the System prepare monthly bank reconciliations in a timely manner.

B. PRIOR YEAR FINDINGS (OTHER MATTERS):

05-01 Bank Reconciliations

During the prior year audit, it was noted that one bank account had not been reconciled for the month of June 2005. Bank reconciliations not prepared in a timely manner may result in transactions not being booked into the financial records for the period in which they occurred. The performance of a bank reconciliation functions as a control over cash receipts and disbursements. The performance of timely bank reconciliations is necessary to prevent or detect errors and/or misappropriations in a timely manner. We recommended that the System prepare monthly bank reconciliations in a timely manner. This finding has not been resolved and is repeated as 06-01 in the current year.

05-02 Excess Contributions

During the prior year audit, it was noted that in June 2005, the System received a contribution from one school board in the amount of approximately \$275,000 in excess of its required monthly contribution. The System did not investigate the cause for the discrepancy in the contribution. The failure to promptly investigate discrepancies in contributions received may result in the System not receiving the proper amounts from participating School Boards. We recommended that the System investigate any discrepancies in contributions received on a timely basis. This finding was resolved in the current year.

05-03 Federal Withholding

During the prior year audit, it was noted that the System did not remit over \$23,000 in federal taxes withheld from manual checks to members during the period January through June 2005 until June 2005. The failure to promptly remit withheld taxes may result in the System being assessed interest and penalties by the IRS. We recommended that the System remit federal taxes withheld on a timely basis to ensure compliance with IRS regulations. This finding was resolved in the current year.



State of Louisiana
SCHOOL EMPLOYEES' RETIREMENT SYSTEM

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October 4, 2006

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**ADMINISTRATIVE
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Jennifer Champagne

Steve J. Theriot, CPA
Legislative Auditor
1600 North Third Street
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MANAGEMENT LETTER

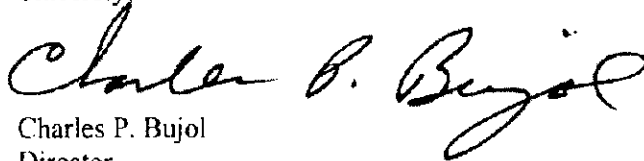
Dear Mr. Theriot:

During testing by our auditors, Duplantier, Hrapmann, Hogan, and Maher recommended that the System prepare monthly bank reconciliations in a timely manner. Our response to the audit finding is as follows:

Louisiana School Employees' Retirement System will reconcile all monthly bank accounts on a timely basis. This fiscal year presented us with extraordinary events, and a turnover of key personnel, resulting in our inability to reconcile the payroll account in a timely manner. During the months of September 2005 through December 2005, the System had to replace a large number of benefits for members due to Hurricanes Katrina and Rita. The replacements were in the form of manual checks and ACH deposits to new bank accounts; along with the replacements were the accompanying voids. During this period and afterwards, the Accounting Department was unable address the additional work and problems generated by the hurricanes, and keep up with the daily accounting functions. The Accounting Department is small consisting of seven employees, four of those being professional level accounting positions. Having a new Chief Financial Officer and another new staff member in a key position when the hurricanes hit further complicated the situation. In February and March 2006, the same two key positions became vacant again. Also, we discovered that the electronic bank file was not available for three months, which also delayed the account reconciliation. Both positions were filled, however the Chief Financial Officer position became vacant again after five months. We are currently in the process of filling this vacancy. Once the vacancy is filled, we will proceed with the timely reconciliation of all accounts.

If you have any questions, or need additional information, please contact or write our office.

Sincerely,


Charles P. Bujol
Director